



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

AGENDA of November 13, 2024 * 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 September 11, 2024](#)

NEW BUSINESS

1. [FY2025 Budget – First Quarter Update](#)
2. [3-Year Budget Forecast Discussion](#)
3. [Contingency Fund Discussion](#)

GOOD OF THE ORDER

ADJOURNMENT

NEXT MEETING – [January 8, 2025 - 8:30 a.m.](#)

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

Finance Committee Meeting – Hybrid via Zoom
September 11, 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: Greg Brotherton, Jefferson County (Chair) (via Zoom)
Randy Neatherlin, Mason County (via Zoom)
Jill Warne, Grays Harbor County (via Zoom)

Members Absent: Jim Cooper, City of Olympia

Legal Counsel:

Staff Present: Jeff Johnston, Executive Director; Lynn Harding, Financial Services Manager;
Tiffany Flores, Records Specialist, Debbie Moody, Office Manager/Public
Records Manager

The meeting was called to order at 8:33 am.

APPROVAL OF AGENDA (:13)

Brotherton noted there were not additions or omissions on the Agenda.

APPROVAL OF MINUTES (1:33)

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

NEW BUSINESS

FY2024 Budget – End of Year Report (2:09)

Johnston noted financial fraud has been in the news of late and assured the committee ORCAA staff take financial fraud seriously.

Johnston gave a brief update and highlights regarding fiscal year 2024.

Harding presented the year end budget and gave a brief overview of the revenues.

Warne noted her concerns with the large penalties. There was some discussion regarding penalty funds and how they are used. There was concern from members that the penalties should not be added to the general fund.

Brotherton requested we move on to the Forecast before Neatherlin had to leave.

Brotherton suggested a conversation, in the future, to discuss some of the concerns Warne and Neatherlin noted, as well as the contingency funds overall. It was noted this will be discussed at the November Finance meeting.

3-Year Budget Forecast (13:14)

Harding briefly went over the forecast, noting the numbers are based on historical numbers. Johnston explained some of our fee-based programs are still being supplemented by other funds.

Neatherlin noted he disagrees with the current forecast noting we need to live within our means and not spend more because we have more. Excess, unexpected monies should be set aside. (Neatherlin left at 8:56am). (The committee went back to the previous item.)

FY2024 Budget – End of Year Report-continued (22:31)

Harding continued giving an overview of expenditures and the fund balance. Harding suggested a contingency fund for IT, which we don't currently have. Johnston noted we do have a fund for a new database and are working toward sending an RFP out in October.

Brotherton suggested we have further discussions regarding concerns from Neatherlin and Warne related to fines. Harding suggested, and the committee agreed, to continue this discussion at our November meeting.

Brotherton briefly went over his talking points for the update at the Board meeting.

There nothing further for the committee.

ADJOURNMENT (36:52)

The meeting adjourned at 9:10 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 September 11, 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 September 2024

Comparison
 FY2025 | FY2024

Revenue	Fiscal Year 2024	Fiscal Year 2025	July 2024 through	Budget vs Actual	3-mos =25%	
	7/1/23-6/30/24	7/1/24 - 6/30/25	September 2024		Difference	% of Budget
Fees/Grants/Assessments/Penalties/Other	Actual	Budget	Actual			
AOP (Title V)	\$ 678,222	\$ 669,138	\$ 380,771	\$ (288,367)	57%	54%
NOC - Major/Minor	268,329	160,000	34,184	(125,816)	21%	73%
NOI - Major/Minor	2,533	2,000	610	(1,390)	31%	56%
Annual Registration	419,936	417,000	383,093	(33,907)	92%	91%
Assessments	533,772	557,037	-	(557,037)	0%	1%
Ecology Oversight	11,544	15,500	-	(15,500)	0%	0%
Asbestos	166,894	152,500	48,465	(104,035)	32%	28%
Land Clearing	29,046	32,000	254	(31,746)	1%	0%
Woodstove Education Grant	11,398	11,398	-	(11,398)	0%	0%
Woodsmoke Reduction Grant	116,975	148,000	49,400	(98,600)	33%	24%
Ecology Monitoring (PM2.5)	13,500	17,500	6,460	(11,040)	37%	30%
EPA - Cheeka Peak Grant	104,657	90,462	24,623	(65,839)	27%	26%
ARP Grant with EPA	129,341	-	-	-	0%	90%
CORE-Federal	174,328	199,419	26,853	(172,566)	13%	0%
CORE-State	116,218	134,124	17,902	(116,222)	13%	0%
EFSEC	54,180	59,255	3,255	(56,000)	5%	31%
Penalties (NOV)	2,430,238	150,000	56,262	(93,738)	38%	62%
Investment Income	70,446	140,000	34,627	(105,373)	25%	52%
Miscellaneous Revenue	9,030	10,000	778	(9,222)	8%	74%
Building/Rental Income	50,318	49,716	12,882	(36,834)	26%	26%
Total Revenue before Contingency Draw(s)	\$ 5,390,904	\$ 3,015,049	\$ 1,080,419	\$ (1,934,630)	36%	40%
Appropriation from Contingency Fund(s)						
General Fund Contingency Draw / Title 5	Zero	\$ 414,690	TBD	\$ -		
Total Revenue & Contingency Draw	\$ 5,390,904	\$ 3,429,739	\$ 1,080,419	\$ (1,934,630)		

Summary	
FY2024	
Revenue	
78% Fees	\$ 847,377
12% Grants*	128,493
0% Assessments	-
5% Penalties	56,262
4% Other	48,287
0% Contingency	0
100%	\$ 1,080,419
* Grants-Fed	\$ 57,935
* Grants-State	\$ 70,557

Expenditures	Fiscal Year 2024	Fiscal Year 2025	July 2024 through	Budget vs Actual	3-mos =25%	
	7/1/23-6/30/24	7/1/24 - 6/30/25	September 2024		Difference	% of Budget
Payroll	Actual	Budget	Actual		FY2025	FY2024
Salaries	\$ 1,842,882	\$ 2,074,292	\$ 507,043	\$ 1,567,249	24%	25%
Employee Benefits, Payroll Taxes	569,657	717,789	162,842	554,947	23%	23%
Total Payroll	\$ 2,412,539	\$ 2,792,081	\$ 669,885	\$ 2,122,196	24%	24%
Non-Payroll						
Office Supplies/Small Equipment	\$ 33,996	\$ 12,234	\$ 1,348	\$ 10,886	11%	16%
Vehicle-Gas Purchase	6,074	6,200	1,146	5,054	18%	24%
Computer Hard/Software	33,174	28,014	2,896	25,118	10%	27%
Board Travel & Reimbursement	32	1,500	11	1,489	0%	0%
Training & Conferences	20,365	32,103	1,554	30,549	5%	26%
Professional Services	44,951	89,000	10,967	78,033	12%	13%
Telephone	13,695	17,000	3,482	13,518	20%	20%
Postage	6,080	6,300	2,352	3,948	37%	25%
Insurance (Bldg, Veh, Staff)	41,274	45,403	46,067	(664)	101%	101%
Wellness Program	475	575	50	525	9%	31%
Public Education	23,407	24,040	6,277	17,763	26%	9%
Miscellaneous	173	1,000	-	1,000	0%	20%
Dues & Subscriptions	5,848	5,825	1,448	4,377	25%	22%
Audit/Accounting	1,708	21,500	363	21,137	2%	18%
Maintenance - Copier	1,999	2,400	561	1,839	23%	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	1,270	3,730	25%	9%
Total Non-P/R	\$ 260,833	\$ 359,094	\$ 79,794	\$ 279,300	22%	36%
Building Operations/Maintenance						
Principal/Interest - Office Bldg	\$ -	\$ -	\$ -	\$ -	0%	0%
Alarm Monitoring/Security	1,330	2,000	194	1,806	10%	6%
Utilities	14,189	17,000	3,052	13,948	18%	19%
Janitorial & Supplies	14,036	15,000	2,880	12,120	19%	19%
Maintenance - Office Bldg.	24,416	35,600	6,033	29,567	17%	30%
Leasehold Improvements	8,519	35,000	-	35,000	0%	0%
Total Bldg. Oper./Maintenance	\$ 62,490	\$ 104,600	\$ 12,159	\$ 92,441	12%	11%
Program Operations						
WoodSmoke Reduction/Bounty	\$ 96,000	\$ 111,000	\$ 26,000	\$ 85,000	23%	0%
Ecology Oversight Fees	11,544	15,500	-	15,500	0%	0%
Monitor. Equip./CPO	30,623	35,000	5,464	29,536	16%	21%
ARP Grant with EPA	129,341	-	-	-	0%	91%
Monitoring-General / PM2.5	6,430	4,464	684	3,780	15%	24%
OlyMAP Project	4,460	8,000	-	8,000	0%	102%
Security Deposit Refunds	-	0	881	(881)	n/a	n/a
Total Program Operations (Non-Admin)	\$ 278,399	\$ 173,964	\$ 33,029	\$ 140,935	19%	44%
Total Expenditures	\$ 3,014,261	\$ 3,429,739	\$ 794,867	\$ 2,634,872	23%	27%
Net Surplus (Deficit)	\$ 2,376,643	\$ -	\$ 285,552			

Summary	
FY2024	
Expenditures	
84% Payroll	\$ 669,885
10% Non Payroll-Admin	79,794
2% Bldg/Maint.	12,159
4% Program Operations	33,029
100% Total	\$ 794,867

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.

10162024-lmh

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

		General Fund
BEGINNING	Fund Balance 07/01/2024	\$ 4,599,971
	Plus : Revenue Fiscal Year	\$ 1,080,419
	Less : Expenditures Fiscal Year	\$ (794,867)
	Adjustment : WA Cares Premium	\$ 6,955
	ENDING Fund Balance	\$ 4,892,478
General Fund Contingency Draw applied to FY Budget		Zero
Title V Funds applied to FY Budget		Zero

*SAO	Fund Balance ALLOCATIONS-		
Classifications:	<u>Contingency Funds & Capital Funds</u>	Acctg Chart of Accts #	
Committed	Less : Expense Contingency (20% FY Budget less Title V)	1021	\$ 496,757
Restricted	Less : Title V	1025	\$ 99,369
Assigned	Less : Tenants Security Deposits	1040	\$ 4,575
Committed	Less for Office Building	1022	\$ 150,000
Committed	Less for Monitoring Equipment	1023	\$ 20,000
Committed	Less for Database / Equipment	1024	\$ 285,000
Unassigned	Less for Vacation/Sick Leave/Comp	1027	\$ 168,945
Restricted	Less WA Cares Premiums (Employee)	205026	\$ 1,860
Unassigned	<u>Contingency Fund</u>		
Unassigned	Title V Contingency (due General Fund)	(Actual)	\$ -
Unassigned	Ending UNRESTRICTED Fund Balance		\$ 3,665,972

Contingency & Capital Funds
\$ 1,226,506

9/30/2024

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.

10/24/2024

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

Budget Forecast

(Provided for the September 11, 2024 and November 13, 2024 Finance Committee Meetings)

The forecasts for future years are presented for discussion purposes. The following documents accompany this summary:

- 3-Year Budget Forecast (combined with 3-year look back)
- Fund Balance (over the same time period)
- Maintenance and Leasehold Improvement Schedule
- Revenue FY2014-Present

3-Year Budget Forecast (FY26 – FY28)

Revenue/Expenditures & Appropriations from Contingency Funds

Revenue

- Applied 3% increase to fees in FY26 through FY28
- No major increase or decrease in agency program revenues
- Revenue sources from Grants are forecasted to remain constant through 2028:
 - Fees average 50% of budgeted revenue
 - Assessments average 20%
 - Grants average 23%
 - Rents/Miscellaneous average 4%
 - Penalties will average less than 3% of budgeted revenue

Expenditures

- FTE count remains at 19.25
- Applied 3% salary adjustment (COLA) each year, plus 3% step increases.
- Applied 4% increase to employee health benefits, and a slight increase to PFML and L&I premiums; DRS rate is expected to remain stable from 9.03% – 9.30%
- Increases to non-payroll varies by line item, some significant changes include:
 - SAO audit occurs every other year
 - new EV car purchase each year to replace our aging fleet
 - additional EV charging stations included in FY27

Note: the agency is expected to go out for bid for a new agency database in the coming months. Costs to be determined.

- Applied adjustments to Building Maintenance and Operations consistent with attached project schedule (replacing carpet, new roof, adding solar, replacing HVAC)
- Slight reduction in Program Operations following Lacey air monitoring site upgrades in FY26
- Average of agency expenses include:
 - Salaries & Benefits at 82%
 - Non-Payroll at 9%
 - Building Maintenance/Operations at 4%
 - Program Operations at 5%-6%
- The variance of past projections have been fairly consistent to actuals.

Appropriations from Contingency Funds

- Using Undesignated Fund Balance each year to balance the budget
- Include setting aside funds for Title V Contingency Fund with a goal of \$60,000
- Breakdown of Net Surplus (Deficit) is reflected on the report

Fund Balance

- Continue setting aside funds in Contingency & Capital Funds (office building, database, vacation/sick leave)
- Restricted Fund Balance ensures sufficient funds for unexpected expenses and cash flow
- Undesignated Fund Balance deficit starts occurring in FY29 based on future projections.
 - Preserving *Undesignated Fund Balance* could be assumed by reducing annual set-aside to contingency funds, reducing general fund contingency from 20% to 15%, conducting fee analysis more often so that fee program expenses are self-supporting

Maintenance & Leasehold Improvements

The schedule includes FY25 budgeted projects. In addition, the schedule identifies future projects both short and long term along with “*estimated*” costs.

ORCAA will be advertising by October 2024 for a maintenance technician to assist with maintenance and leasehold improvements. The position is included in the budget(s).

Revenue FY2014 – Present

This report includes actual revenue received from fiscal year 2014 to present by revenue source.

OLYMPIC REGION CLEAN AIR AGENCY
 REVENUE, EXPENDITURES & APPROPRIATIONS FROM CONTINGENCY FUNDS
 For Fiscal Year ...

3-Year Budget Forecast

	Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7
	Actual FY 2022	Actual FY 2023	Actual FY 2024	Current FY 2025	Projections FY 2026	Projections FY 2027	Projections FY 2028
	1.40%	5.20%	6.30%	3.50%	3.00%	3.00%	3.00%
GRANTS							
Core-Federal	\$ 198,556	\$ 216,032	\$ 174,328	\$ 199,419	\$ 201,000	\$ 196,000	\$ 196,000
Core-State	139,985	153,249	116,218	134,124	134,000	129,000	129,000
PM Agreements:							
Ecology Monitoring	13,500	13,500	13,500	17,500	17,500	17,500	17,500
CPO Project w/EPA-Maintenance & Operations	76,748	95,060	104,657	90,462	90,462	90,462	90,462
ARP Grant with EPA	-	2,159	129,341	-	-	-	-
Woodsmoke Reduction Grant	58,019	148,006	116,975	148,000	145,000	150,000	150,000
Woodstove Education Grant	10,682	10,682	11,398	11,398	11,398	11,398	11,398
FEES							
Assessments	\$ 464,353	\$ 498,697	\$ 533,772	\$ 557,037	\$ 573,748	\$ 590,961	\$ 608,689
AOP (Title V)	603,614	686,754	678,222	669,138	700,075	742,100	776,685
EFSEC	26,019	44,250	54,180	59,255	61,033	62,864	64,750
Ecology Oversight	12,948	13,162	11,544	15,500	16,000	16,480	16,974
Annual Registration	375,302	391,326	419,936	417,000	429,510	442,395	455,667
NOC - NSR	140,433	68,695	268,329	160,000	164,800	169,744	174,836
NOI - Major/Minor	2,911	5,238	2,533	2,000	2,060	2,122	2,185
Outdoor Burning	-	-	-	-	-	-	-
Asbestos	138,637	142,394	166,894	152,500	157,075	161,787	166,641
Land Clearing	36,659	40,112	29,046	32,000	32,960	33,949	34,967
OTHER							
Penalties	\$ 217,550	\$ 330,040	\$ 2,430,238	\$ 150,000	\$ 75,000	\$ 75,000	\$ 75,000
Investment Interest	13,146	32,649	70,446	140,000	85,000	65,000	45,000
Miscellaneous Income	1,882	2,061	9,030	10,000	10,000	5,000	5,000
Building Income	59,794	50,107	50,318	49,716	51,207	52,744	54,326
TOTAL REVENUE before Contingency Draw(s)	\$ 2,590,738	\$ 2,944,173	\$ 5,390,905	\$ 3,015,049	\$ 2,957,828	\$ 3,014,505	\$ 3,075,081

	Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7
	Actual FY 2022	Actual FY 2023	Actual FY 2024	Current FY 2025	Projections FY 2026	Projections FY 2027	Projections FY 2028
PAYROLL							
Salaries	\$ 1,612,198	\$ 1,667,200	\$ 1,842,882	\$ 2,074,292	\$ 2,152,943	\$ 2,260,590	\$ 2,373,620
Employee Benefits	499,282	535,979	571,296	717,789	746,500	776,360	807,414
Total Payroll	\$ 2,111,480	\$ 2,203,179	\$ 2,414,178	\$ 2,792,081	\$ 2,899,443	\$ 3,036,950	\$ 3,181,034
NON-PAYROLL							
Office Supplies & Sm Supply Purchases	\$ 8,448	\$ 10,512	\$ 33,996	\$ 12,234	\$ 10,000	\$ 11,000	\$ 12,000
Fleet Gas Purchases	4,391	5,997	6,074	6,200	6,500	6,800	6,000
Computer Hard/Soft./Supplies/GovQA/KnowBe4	23,204	28,199	33,174	28,014	31,500	32,000	35,000
Bd. Prof. Ser. & Travel Reimb.	-	132	32	1,500	1,500	1,500	1,500
Staff Training & Conferences & Travel	5,675	18,263	20,365	32,103	28,000	30,000	34,000
Professional Srs.	49,296	52,133	44,951	89,000	59,000	70,000	80,000
Telephone, Communications, Internet	12,480	12,983	13,695	17,000	18,000	19,000	20,000
Postage	4,833	5,756	6,080	6,300	6,500	7,000	7,500
Insurance (Bldg, Veh, Staff)	35,872	39,264	41,274	45,403	49,000	54,000	59,400
Wellness Program	437	338	475	575	600	625	650
Public Education	8,816	49,060	23,407	24,040	24,900	26,000	27,500
Miscellaneous	301	225	173	1,000	1,000	1,000	1,000
Dues & Subscriptions	3,842	3,984	5,848	5,825	7,000	7,100	7,500
Audit/Acctg	6,599	17,049	1,708	21,500	2,600	24,000	3,000
Rent-Satellite Office	800	-	-	-	-	-	-
Maintenance - Copier	10,947	2,030	1,999	2,400	2,500	3,000	3,500
Vehicle Purchase	-	-	25,101	35,000	37,000	39,000	40,000
Level 2 EV Charger	-	-	-	26,000	-	26,000	-
Maintenance - Vehicles	2,333	6,031	2,480	5,000	5,200	7,500	7,500
Total Non-Payroll Expenses	\$ 178,274	\$ 251,956	\$ 260,832	\$ 359,094	\$ 290,800	\$ 365,525	\$ 346,050

Building Operations/Maintenance							
Principal & Interest - Office Bldg	\$ 330	\$ 43,964	\$ -	\$ -	\$ -	\$ -	\$ -
Alarm Monitoring	2,234	1,774	1,330	2,000	2,000	2,500	3,200
Utilities	15,804	16,209	14,189	17,000	18,000	19,000	22,000
Janitorial Supplies	11,643	12,290	14,036	15,000	16,000	17,000	19,000
Maintenance Office Bldg.	9,220	30,923	24,416	35,600	79,300	32,200	40,000
Leasehold Improvements	-	10,573	8,519	35,000	20,000	220,000	150,000
Total Building Operations	\$ 39,231	\$ 115,733	\$ 62,490	\$ 104,600	\$ 135,300	\$ 290,700	\$ 234,200

Program Operations							
Woodstove Reduction Program/Bounty	\$ 41,550	\$ 121,500	\$ 96,000	\$ 111,000	\$ 108,750	\$ 112,500	\$ 112,500
ARP - EPA - Operational	-	2,159	129,341	-	-	-	-
Ecology Oversight Fees	12,948	13,162	11,544	15,500	16,000	16,480	16,974
Monitoring Program - CPO	26,960	29,933	30,623	35,000	36,000	36,000	36,000
Monitoring Programs	2,192	4,833	6,430	4,464	6,000	3,180	4,000
Lacey Monitoring Trailer	-	-	-	-	50,000	-	-
OlyMAP Project	-	1,540	4,460	8,000	-	-	-
Security Deposit Refunds	305	1,701	-	-	-	-	-
Total Program Operations	\$ 83,955	\$ 174,828	\$ 278,398	\$ 173,964	\$ 216,750	\$ 168,160	\$ 169,474

TOTAL EXPENDITURES	\$ 2,412,940	\$ 2,745,696	\$ 3,015,898	\$ 3,429,739	\$ 3,542,293	\$ 3,861,335	\$ 3,930,758
Net Surplus (Deficit) Before Appropriations	\$ 177,797	\$ 198,478	\$ 2,375,007	\$ (414,690)	\$ (584,465)	\$ (846,830)	\$ (855,677)

Breakdown of Net Surplus (Deficit):	FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Current	FY 2026 Projections	FY 2027 Projections	FY 2028 Projections
General Fund Contingency Draw FY	\$ 142,477	\$ 136,195	\$ 2,228,897	\$ (424,690)	\$ (594,465)	\$ (856,830)	\$ (855,677)
Net Surplus Title V Contingency	\$ 35,320	\$ 62,283	\$ 99,371	\$ 10,000	\$ 10,000	\$ 10,000	\$ -
Net Surplus Title V Contingency/ Payback GF			\$ 46,736	\$ -			

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

3-Year Budget Forecast

	Actual FY 2022	Actual FY 2023	Actual FY 2024	Current FY 2025	Projections FY 2026	Projections FY 2027	Projections FY 2028
BEGINNING Fund Balance	\$ 1,848,691	\$ 2,026,489	\$ 2,224,967	\$ 4,601,611	\$ 4,186,921	\$ 3,602,456	\$ 2,755,626
Plus : Revenue Fiscal Year	\$ 2,590,738	\$ 2,944,173	\$ 5,390,905	\$ 3,015,049	\$ 2,957,828	\$ 3,014,505	\$ 3,075,081
Less : Expenditures Fiscal Year	\$ (2,412,940)	\$ (2,745,695)	\$ (3,014,261)	\$ (3,429,739)	\$ (3,542,293)	\$ (3,861,335)	\$ (3,930,758)
ENDING Fund Balance 06/30/20xx	\$ 2,026,489	\$ 2,224,967	\$ 4,601,611	\$ 4,186,921	\$ 3,602,456	\$ 2,755,626	\$ 1,899,949
Ending	6/30/2022	6/30/2023	6/30/2024	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
Fund Balance ALLOCATIONS							
Contingency & Capital Funds							
Less : Expense Contingency (20% FY Budget less Title V Exps)	\$ 368,929	\$ 424,245	\$ 496,757	\$ 552,120	\$ 568,444	\$ 623,847	\$ 630,815
Less : Title V	See Below	See Below	\$ 99,370	\$ 40,000	\$ 50,000	\$ 60,000	\$ 60,000
Less : ORCAA Tenants Security Deposits	\$ 5,600	\$ 4,350	\$ 4,350	\$ 4,575	\$ 4,575	\$ 4,575	\$ 4,575
Capital Funds							
Less for Office Building	\$ 90,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 150,000	\$ 150,000
Less for Monitoring Equipment	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
Less for Database/Equipment	\$ 180,000	\$ 215,000	\$ 250,000	\$ 285,000	\$ 320,000	\$ 355,000	\$ 390,000
Less for Vacation/Sick Leave	\$ 136,453	\$ 155,951	\$ 168,945	\$ 160,000	\$ 155,000	\$ 150,000	\$ 145,000
Less for WA Cares	\$ -	\$ -	\$ 1,639	\$ -	\$ -	\$ -	\$ -
Sub-Total Committed/Restricted/Designated Funds	\$ 800,982	\$ 939,546	\$ 1,161,061	\$ 1,181,695	\$ 1,238,019	\$ 1,363,422	\$ 1,400,390
Contingency Fund							
Title V Program (due General Fund)	\$ (109,020)	\$ (46,738)	\$ -	\$ -	\$ -	\$ -	\$ -
Ending UNDESIGNATED Fund Balance Year End	\$ 1,334,527	\$ 1,332,159	\$ 3,440,550	\$ 3,005,226	\$ 2,364,438	\$ 1,392,204	\$ 499,559
Year End	6/30/2022	6/30/2023	6/30/2024	6/30/2025	6/30/2026	6/30/2027	6/30/2028

Notes:

"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".

Olympic Region Clean Air Agency
Office Building Maintenance / Leasehold Improvements
Fiscal Year 2025 includes the following leasehold improvements and maintenance:

		<u>Estimates</u>			
<u>Leasehold:</u>					
LHI	Upgrade oldest HVAC units in Ste #101 and #102 (Gas \$15k, Electric w/heat pump \$20k)	\$ 35,000			
		\$ 35,000			
<u>Maintenance:</u>					
M	Sunrise Pest Control, annual contract	\$ 1,400			
M	Air Handlers, annual contract HVAC, maintenance parts	10,000			
M	Convert copier room and small conference room (for improved use)	5,000	8/14/2024 remove from list		
M	gravel for parking lot	1,200			
M	complete wall between Compl Mgr & Off Mgr	4,200	8/14/2024 transfer \$5k here		
M	electrical, plumbing, small replacements, miscellaneous maintenance	5,000			
M	clean and paint exterior hand rails (east side stairwell, west side Ste B entrance)	500			
M	repair or replacement of 3-4 exit doors - Lab door (ORCAA side), Tenant exit door (East), 2nd Floor Exit (ORCAA side), Warehouse door (est. \$1250/ea) ADA Compliant	5,000			
M	roof maintenance (May & September) (Cabbros Cleaning)	1,200			
M	window cleaning (Cabbros Cleaning)	600			
M	landscape maintenance (tools-pressure washer, flowers, groud cover, bark, supplies)	1,500			
		\$ 35,600			
		\$ 70,600			



Future Projects (short/long term):

<u>Exterior</u>		<u>In Year:</u>	<u>Estimated Costs:</u>
LHI	replace roof (existing roof installed July 2003-The Roof Doctor, Inc. Olympia)	2027	\$ 60,000
LHI	Solar on bldg (costs yet to be determined)	2027	\$ 100,000
LHI	new lab exit door (with push-bar)	TBD	\$ 800
M	paint exterior (3 walls, south wall completed in Sept 2019)	2026	\$ 15,000
LHI	new entry door to warehouse (with push-bar)	TBD	\$ 800
M	replace or realign door on 2nd floor (outside FSM's office), entry to second floor kitchen	TBD	\$ 800
M	weather stripping doors, windows, and vapor barrier in crawl (check for moisture)	2026	\$ 1,500
M	replace windows, seals have been comprised, specifically 5 (wellness, #200, #101, monitoring, lg conference room)	TBD	\$ 4,500
M	replace remaining windows as needed in bldg	TBD	\$ 9,000
M	reseal parking lots-asphalt (August 2026)	2026	\$ 6,000
M	restripe parking lot (west side of property)	2026	\$ 600
LHI	new street sign on Limited Lane NW	2026	\$ 3,000
M	Ste A entry; concrete work to prevent/eliminate water puddling at entrance	TBD	\$ 1,000
M	Remove "ORCAA" lettering from west wall over Ste B entrance and relocate	TBD	\$ 1,200
LHI	upgrade exterior camera system for security	TBD	\$ 10,000
LHI	two car fenced enclosure for EV chargers (apprx 120 lin ft of fence @ \$30/lin ft + \$400 in accessories)	TBD	\$ 4,000
		Total Exterior	\$ 218,200

<u>Interior</u>		<u>In Year:</u>	<u>Estimated Costs:</u>
LHI	replace carpet in Ste A "great" room, 2nd floor CM, FSM offices (GR \$21k, others estimated at \$4k each)	2027	\$ 33,000
LHI	replace floor: OffMgr, CompSup, ED, Sm Conf Room (OM \$5k, others estimated at \$4k each)	2027	\$ 27,000
LHI	replace carpet w/carpet tiles in Large Conference Room	2025	\$ 12,000
LHI	replace carpet: Ste B- suites #101, 104, 105 (estimated at \$2k each)	2026	\$ 6,000
LHI	replace floor in Ste B Restrooms x2	2028	\$ 2,000
LHI	replace kitchen floor in Ste B	2028	\$ 1,100
LHI	replace floor in Ste A Restrooms x 4 (2 on 1st floor, 2 on 2nd floor)	2028	\$ 4,000
M	interior painting of building (including restrooms, kitchens, hallways, etc. as needed)	TBD	\$ 8,000
M	insulation of walls, attic, crawl spaces to reduce noise and improve weatherization efficiencies	TBD	\$ 10,000
M	install Air Pear Unit in Great Room, optional consideration-ceiling fan (listed under HVAC too)	2026	\$ 2,000
LHI	replace aging Fire Panel for building	TBD	\$ 25,000
LHI	upgrade security system (currently have two panels, and combined fire/security panel)	TBD	\$ 25,000
M	server room fan for temperature control	TBD	\$ 500
M	new window treatments (similar to Dan/Odelle/Laura's offices) \$150/per window @ 20	TBD	\$ 3,000
M	change-out Large Conference Room lights to LED	TBD	\$ 2,000
LHI	replace upstairs men's toilet, including sub floor repair	TBD	\$ 3,000
LHI	ADA improvements (south entrance door, west tenant entry door, etc.)	TBD	\$ 7,000
		Total Interior	\$ 170,600

<u>Electrical</u>	LHI EV Charging Stations, install dedicated 220 circuit(s)	TBD	\$ 11,000	included in FY25
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<u>HVAC</u>		<u>In Year:</u>	<u>Estimated Costs:</u>	
Replace HVAC systems as follows:				
LHI	combine #3-Ste B Lobby (2004 gas) and #4 services #101 & #102 (1987 model); change duct work to size for one unit	2025	\$ 35,000	Included in FY25
LHI	replace Unit #5 located in conference room (1987 unit)	2026	\$ 23,000	
LHI	#6 Lennox gas unit services 2nd floor and partial 1st floor Ste A (installed in June 2015)	2035	\$ -	
LHI	#2 Carrier gas unit services great room (2012 unit)	2032	\$ -	
LHI	#1 gas unit services Suite #103 (2002 unit)	2027	\$ -	
LHI	#7 gas furnace services Warehouse (March 2019)	2039	\$ -	
M	install secondary thermostat sensor(s) for Offices #200 and #201 for improved temperature control	TBD	\$ 600	
M	install ceiling fan or air turbine fan (air pear fan) in great room (located on Ste A side)	2026	\$ 2,000	

<u>Other</u>	LHI New card key entry lock system or keyless system (move away from traditional key lock system) Pros: keyless, code access, virtual keys, monitoring access Cons: Hackers, forgetting code, install costs, power failure	TBD	\$ 12,000
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<u>Current ACTIVE Maintenance "To Do" List:</u>		<u>In Year:</u>	<u>Estimated Costs:</u>
Curb Painting (outside Ste #B)		2025	\$ 300
Painting of Handicapped Parking Stall		2025	\$ 200
North Parking Lot - re-gravel		2025	\$ 350
Post No-Trespassing Signs on ORCAA Property		2025	\$ 75
Interior window in server room-patch & repair window jamb, stain sill		2025	\$ 10

Dave Nelson, Landscaper/Maintenance staff is working on the above "to do" list (08/2024)

ORCAA Revenue FY2014 - Present

Description	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	11-Yr Avg	Revenue Estimates for 2025
AOP (Title V)	\$ 321,548	\$ 320,316	\$ 345,206	\$ 407,495	\$ 377,008	\$ 390,871	\$ 378,083	\$ 426,145	\$ 603,614	\$ 686,754	\$ 678,222	\$ 387,003.62	\$ 669,138
NOC - NSR	57,631	65,525	133,232	112,734	130,923	139,636	134,985	273,873	140,433	68,695	268,329	\$ 114,333.27	160,000
NOI - Major/Minor	8,440	4,063	3,645	4,393	2,503	4,364	7,773	8,820	2,912	5,239	2,533	\$ 4,741.09	20,000
Annual Registration	340,285	347,675	342,375	361,995	378,281	375,066	396,502	388,365	375,302	391,326	419,936	\$ 336,106.58	417,000
Assessments	231,549	233,432	235,670	395,598	410,802	426,529	446,188	451,908	464,353	498,697	533,772	\$ 344,975.09	557,037
DOE oversight	24,181	17,020	14,929	13,059	10,559	10,936	12,326	11,500	12,948	13,162	11,544	\$ 12,783.60	15,500
Asbestos	115,245	126,650	132,853	138,481	141,229	157,106	127,199	145,343	138,637	142,394	166,894	\$ 124,103.32	152,500
Open Burning-Land Clearing	13,813	15,550	14,638	17,406	30,864	28,218	31,909	33,737	36,659	40,112	29,046	\$ 23,900.45	32,000
Woodstove Education Grant	11,332	11,332	11,249	11,249	11,017	11,017	9,939	9,939	10,682	10,682	11,398	\$ 9,858.00	11,398
WS Changeout/Reduct/Bounty	116,228	48,106	45,764	64,041	15,195	66,271	168,816	156,622	58,019	148,006	116,975	\$ 80,642.54	148,000
Ecology Monitoring (PM2.5)	13,500	13,500	13,046	14,501	13,110	13,889	13,500	13,500	13,500	13,500	13,500	\$ 12,322.36	17,500
EPA-CPO Grant	89,914	85,276	88,947	82,381	75,545	96,609	95,407	77,093	76,747	95,060	104,657	\$ 78,452.60	90,462
EPA-ARPA										2,158	129,341	Ended 2024	-
Community Scale Air Toxics						144,083	167,454	37,733	Ended 2021	-	-	Ended 2021	-
CORE-Federal	195,840	179,473	192,316	209,605	188,374	188,374	181,192	164,703	198,556	216,032	174,328	\$ 174,042.22	199,419
CORE-State	129,958	121,205	131,830	143,860	134,737	134,738	131,211	119,152	139,985	153,249	116,218	\$ 121,811.32	134,124
EFSEC	18,069	18,263	15,664	40,040	19,631	63,677	32,461	24,380	26,018	44,250	54,180	\$ 27,495.73	59,255
Ultrafine		147,480	109,197			-						Ended 2016	
Penalty & Settlement Funds	49,921	59,168	44,030	92,026	100,754	62,327	66,207	159,409	217,550	330,040	2,430,238	\$ 107,402.87	150,000
Investment Income	10,661	10,463	12,539	13,700	20,003	33,128	34,923	15,674	13,145	26,682	70,446	\$ 19,091.84	140,000
Miscellaneous Revenues	8,616	7,928	8,901	4,849	1,420	6,244	1,890	939	1,882	2,061	9,030	\$ 4,472.93	10,000
Building/Rental Income	23,646	28,107	43,508	48,022	57,031	53,518	60,037	58,369	59,794	50,107	50,318	\$ 48,213.90	49,716
RESERVE - Budgeted	\$ 142,857	\$ 256,460	\$ 170,850	\$ 60,552	\$ 122,425	\$ 163,581	\$ 200,290	\$ 257,636	\$ 209,092	\$ 274,915	Zero		\$ 425,640
RESERVE - Used (Admin AND T5)	\$ (4,662)	\$ 113,936	\$ 110,237	\$ (162,543)	\$ (66,969)	\$ (88,246)	\$ (62,667)	\$ (127,615)	\$ (177,797)	\$ (198,478)	\$ (2,375,004)		TBD
	Used	Used	Used	Underspent	Underspent	Underspent	Underspent	Underspent	Underspent	Underspent	Underspent		
08/30/2024 updated													
Over spent in T5, owes General Fund	-3,060	28,032	-32,906	27,420	14,191	21,463	-97,440	88,057	35,319	62,283	99,371		
Funds to General Fund	-1,603	-141,968	-77,331	135,122	52,778	66,783	160,091	215,671	142,479	136,195	2,228,897		



RESOLUTION NO: 285

Guidelines for the Use of Revenue from Penalties and Settlements

WHEREAS, the Olympic Region Clean Air Agency (ORCAA) is governed by the ORCAA Board of Directors (Board); and

WHEREAS, ORCAA receives penalty and settlement revenue related to enforcement of air quality rules and regulations within its jurisdiction; and

WHEREAS, the Board of Directors deems it appropriate to establish guidelines outlining the use of penalty and settlement revenue; and

WHEREAS, staff recommends the adoption by resolution which hereby outlines parameters for the use of revenues collected from penalties and settlements; and

NOW, THEREFORE, BE IT RESOLVED by the Board that penalty and settlement revenue received by ORCAA shall be receipted into a contingency fund and shall be used for Board approved purposes as included in the annual budget and consistent with ORCAA's mission and strategic plan.

IT IS FURTHER RESOLVED that if penalty and settlement revenue exceed the needs of ORCAA in any given budget and fiscal year, as determined by the Board of Directors, then funds may be transferred to the Penalties Fund and/or other Contingency and Capital Funds as directed by the Board of Directors.

APPROVED by the Board of Directors of the Olympic Region Clean Air Agency this _____ day of _____, 2024.

PRESENTED BY: ORCAA Board of Directors

Jim Cooper, ORCAA Board Chair

Approved and signed on this Xth Day of X, 2024.