

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

**Finance Committee Meeting – Hybrid via Zoom**  
April 12, 2023

A video recording of this meeting is available on the ORCAA YouTube channel at:  
<https://www.youtube.com/@ORCAADan/videos>

Members Present: Greg Brotherton, Jefferson County (Chair) (via Zoom)  
Jim Cooper, City of Olympia (via Zoom)  
Randy Neatherlin, Mason County (via Zoom)

Members Absent:

Legal Counsel:

Staff Present: Jeff Johnston, Executive Director (via Zoom); Lynn Harding, Financial Services Manager (via Zoom); Dan Nelson, Communications Manager (via Zoom); and Debbie Moody, Office Manager (via Zoom)

The meeting was called to order at 8:40 am.

#### **APPROVAL OF AGENDA**

Brotherton asked for approval of the agenda. Cooper moved approval and the motion carried unanimously.

#### **APPROVAL OF MINUTES**

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

#### **FINANCE REPORT**

Harding briefly went over the 3<sup>rd</sup> Quarter of Fiscal Year 2023, noting revenues are at 87% and total expenditures are at 69%. Harding did note we do have several items on our building improvement list we hope to complete this fiscal year. Moving on to the Fund Balance, Harding noted we started with a little over \$2 million, 9 months into the year we have collected \$2.4 million, and have spent about \$2 million, and we currently have \$2.4 million. We are currently holding \$864,000 in our contingency and capital funds, while we have \$1.5 million in our unrestricted fund balance.

#### **NEW BUSINESS**

##### FY2024 Draft Budget

Harding gave a brief overview of the budget packet. Brotherton noted several of the leasehold improvements noted in the current budget are also included in this draft, will they be pushed out? Johnston noted we hope to get them done this current year; however, we included them in the draft budget in case there are scheduling issues or other things that cause delays.

Harding explained the draft budget includes many items along with the new salary schedule. The committee had requested 3 options for salary increases, 2.25%; 4%; and 6%. The budget also includes assessments and fee schedules with a 6.3% increase (CPI). Harding noted we have several lease hold improvements for the upcoming year, and we are also budgeting for a new Financial Assistant. Johnston noted the Financial Assistant position is a high priority and we will be bringing this back to the committee later in the year. All options will draw on the unreserved balance. We will continue to set aside funds to our contingency funds; sick/vacation leave, database, monitoring, and the building fund. We want to maintain our building fund at the same level because we no longer have a mortgage, so we are going to include a list of building maintenance and improvements each year to cover the 3 to 5-year forecast.

Harding summarized the revenue, noting it is projected to be a little more than \$3.1 million; 9% higher than 2023. Expenditures match revenues at 3.1 million; 10% higher than 2023 and includes implementing the new salary schedule, as provided by the contractor.

With regards to revenue, there are very little changes. The biggest change to the budget includes the fee and assessment increase of 6.3%. We anticipate using around \$286,000 out of reserve. Harding explained, the draft budget utilizes a 4% increase for salaries for ease of the presentation. Under the fund balance, we are projected to start with \$1.9 million and end with \$1.8 million.

Harding briefly went over the 3 budget options, noting revenue doesn't change as we are using 6.3% CPI to all three options. The differences will be under expenditures – with option 1 at 2.25% we expect to use \$183,000, with option 2 at 4% \$218,686 and for option 3 at 6% \$255,826 out of the reserves.

Harding stated we need the Finance Committee needs to let us know which option to go with. Brotherton asked the committee members to state their position.

Neatherlin noted option 1 (2.25%) was his preference. Neatherlin did note he appreciates getting staff to the 50 percentile. He added, if we agree with the 2.25% increase and do an adjustment for the 5 positions, we are going to be above the 50 percentile.

Cooper noted he would like a new option at 5%. He noted we need to remain close to CPI as possible, so we don't fall behind. Cooper noted he would be ok with 4%.

Brotherton noted he knows counties are typically a bit behind other agencies and he is more inclined to err on the side of generosity, doing what we can to maintain staff, and use the 4% and include the steps.

Johnston recommended the 4% noting implementing the new salary schedule, along with the 4% will keep us at the 50 percentile and will assist in keeping us up with the CPI so we don't fall behind.

Brotherton asked if the recommendation we make today will be brought forward to the full Board. Johnston stated that is correct. Cooper noted either of the options are still projecting less contingency than our current budget. Cooper supported Johnston's recommendation. Neatherlin noted there is a trend toward a recession and held to his support of the 2.25%.

Cooper noted it appears we are leaning toward the 4%, however was unsure if Neatherlin would agree. There were additional discussion and Brotherton noted we need to come to a recommendation.

Cooper moved to direct staff to use 4% for the salary adjustment along with projected workload analysis. The motion was second and carried with a majority vote (Brotherton and Cooper: agreed and Neatherlin: opposed.)

There was nothing further for the committee.

The meeting adjourned at 9:53 am.

**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 April 12, 2023, in Olympia, Washington.

ATTEST:

  
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Jeff C. Johnston, Executive Director  
Olympic Region Clean Air Agency

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Greg Brotherton, Chair  
ORCAA Finance Committee

DATED:           9/13/2023