



# FY2026 Budget Amendments

February 11, 2026

**To:** ORCAA Board of Directors

**From:** Tyson Justis, Financial Services Manager and Jeff Johnston, Executive Director

**Regarding:** Amendments to the ORCAA FY206 Consolidated Operating Budget

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## Executive Summary

We are presenting to the Olympic Region Clean Air (ORCAA) Agency Board of Directors amendments to the Fiscal Year 2026 Consolidated Operating Budget. This budget amendment is based on actual and forecasted expenditures through year end. Projected expenditures reveal variances between the appropriated budget and the estimated projections, which could exceed the mandated 10% budget threshold for budget sub-components.

## Amendment Overview

Staff are requesting a shift in funds between General Fund budget line items and an appropriation from the Office Building Committed Fund and the Tenants Security Deposit Assigned Fund into the General Fund. Lastly, we are requesting an increase in the Woodsmoke Reduction/Recycle Program annual budget.

### General Fund Reallocations

A reallocation of \$22,000 from Retirement into the following budget line items will be made:

- Alarm Monitoring            \$12,000
- Monitoring – CPO            \$10,000
- \$22,000

The Retirement budget contains a surplus of approximately \$71,000 due to a lower than estimated mandatory pension contribution rate and not adjusting the retirement contributions downward due to a reduction in staffing (Fiscal Specialist).

In addition, there is a reallocation of \$7,000 from Medical into Monitoring – CPO. Medical has an estimated budget surplus of \$29,200 due to a lower than expected increase in medical rates beginning in January 2026.

The reallocation of General Funds will help offset the cost of installing fire and security panels and relocation costs associated with the Cheeka Peak monitoring station move. These items were not accounted for during the fiscal year 2026 budget development process as they were unanticipated.

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### Fund Appropriations

We will be moving \$111,000 from the Office Building Capital Fund and \$400 from the Tenants Security Deposits Fund into the General Fund. This appropriation covers additional unanticipated costs.

The \$111,000 will cover the replacement cost for two new heat pumps and a new roof for ORCAA’s office building.

• Heat Pumps	\$35,000
• Roof Replacement	<u>\$76,000</u>
	<u>\$111,000</u>

The \$400 covers a security deposit refund for the tenant who vacated office space 104.

### Budget Increase in Woodsmoke Reduction/Recycle Program

At the beginning of fiscal year 2026, ORCAA was awarded \$314,400 for the Woodsmoke Reduction Program. Compared to the previous biennial award, this current award included an increase in the total award amount for heat pump replacements, an increase in administrative costs, and inclusion of a low-income qualified award component.

We are proposing a budget increase of \$46,200 in the Woodsmoke Reduction Recycle Program budget. This would bring the overall budget for the Woodsmoke Reduction Recycle Program to \$157,200, which is half of the current total award amount.

### Conclusion

Although the proposed budget amendments increase the expected net deficit by \$157,600 to \$744,117, the actual effective cost of the budget amendments will be the replenishment cost for the Office Building Capital Fund.

The General Fund reallocations and the increase in the Woodsmoke Reduction Program budget net zero when reviewing total overall expenditure increases and accounting for program reimbursements.

ORCAA plans to continue earmarking future funds in order to replenish the Office Building Capital Fund and will continue to monitor expenditure levels throughout this fiscal year.

**Olympic Region Clean Air Agency  
Revenue, Expenditures, and Appropriations from Contingency Funds  
For The Fiscal Year Ending**

	Column 1	Column 2	Column 3	Column 4	Approved 2/11/2026 Column 5
<b>REVENUE</b>	<b>Actual FY 2024</b>	<b>Approved FY 2025</b>	<b>Approved FY 2026</b>	<b>AMENDED FY 2026</b>	<b>Projected FY 2027</b>
	7/1/23-6/30/24	7/1/24-6/30/25	7/1/25-6/30/26	7/1/25-6/30/26	7/1/26-6/30/27
<b>Grants</b>					
Core-Federal with ECY	\$ 174,328	\$ 199,419	\$ 139,657	\$ 139,657	\$ 139,657
Core-State with ECY	116,218	134,124	134,210	134,210	134,210
PM2.5 - Ecology Monitoring with ECY	13,500	17,500	17,500	17,500	17,500
CPO Project w/EPA-Maintenance & Operations with EPA	104,657	90,462	90,462	90,462	90,462
ARP Grant with EPA	129,341	-	-	-	-
IRA Grant with ECY	-	-	80,000	80,000	-
Woodsmoke Reduction & Recycle Program with ECY	116,975	148,000	148,000	148,000	148,000
Woodstove Education & Enforcement Grant with ECY	11,398	11,398	11,398	11,398	11,398
<b>Fees</b>					
Assessments	\$ 533,772	\$ 557,037	\$ 575,137	\$ 575,137	\$ 586,640
Annual Registration	419,936	417,000	422,000	422,000	430,440
Title V	678,222	669,138	670,307	670,307	797,707
NOC - NSR	268,329	160,000	120,000	120,000	122,400
NOI - Major/Minor	2,533	2,000	2,000	2,000	2,040
EFSEC	54,180	59,255	73,073	73,073	65,692
Ecology Oversight	11,544	15,500	15,000	15,000	15,500
Outdoor Burning	-	-	-	-	-
Asbestos	166,894	152,500	165,000	165,000	168,300
Land Clearing	29,046	32,000	61,875	61,875	63,113
<b>Other</b>					
Penalties (NOV)	\$ 2,430,238	\$ 150,000	\$ 125,000	\$ 125,000	\$ 127,500
Interest Income	70,446	140,000	96,000	96,000	70,000
Miscellaneous Income	9,030	10,000	7,500	7,500	8,000
Building Income	50,318	49,716	40,000	40,000	40,800
<b>Total Revenue before Contingency Draw(s)</b>	<b>\$ 5,390,905</b>	<b>\$ 3,015,049</b>	<b>\$ 2,994,119</b>	<b>\$ 2,994,119</b>	<b>\$ 3,039,358</b>
	Column 1	Column 2	Column 3	Column 4	Column 5
	FY 2024	FY 2025	FY 2026	FY 2026	FY 2027
	7/1/23-6/30/24	7/1/24-6/30/25	7/1/25-6/30/26	7/1/25-6/30/26	7/1/26-6/30/27
<b>EXPENSES</b>					
<b>Payroll</b>					
Salaries	\$ 1,842,882	\$ 2,074,292	\$ 2,018,772	\$ 2,018,772	\$ 2,059,147
Total Benefits	569,657	717,789	680,794	651,794	708,026
Total Payroll	\$ 2,412,539	\$ 2,792,081	\$ 2,699,566	\$ 2,670,566	\$ 2,767,174
<b>Non-Payroll</b>					
Office Supplies/Sm Supplies/Safety	\$ 33,996	\$ 12,234	\$ 8,200	\$ 8,200	\$ 8,400
Gasoline	6,074	6,200	6,200	6,200	6,448
Computer Hard/Soft./Supplies	33,174	28,014	29,800	29,800	29,000
Board of Directors Travel Reimbursement	32	1,500	300	300	325
Staff Training, Conferences, Travel	20,365	32,103	46,276	46,276	46,000
Professional Services	44,951	89,000	85,600	85,600	80,000
Telephone	13,695	17,000	16,000	16,000	17,500
Database	0.00	0.00	150,000	150,000	40,000
Postage	6,080	6,300	8,300	8,300	8,350
Insurance (Bldg, Veh, Staff)	41,274	45,403	49,945	49,945	54,940
Wellness Program	475	575	670	670	600
Public Education and Outreach	23,407	24,040	28,983	28,983	32,000
Miscellaneous	173	1,000	1,500	1,500	1,500
Dues & Subscriptions	5,848	5,825	7,896	7,896	8,200
Audit/Acctg	1,708	21,500	2,500	2,500	24,000
Maintenance - Copier / Purchase	1,999	2,400	2,500	2,500	2,600
Vehicle Purchase	25,101	35,000	48,000	48,000	-
Level 2 EV Charger	-	26,000	-	-	-
Maintenance - Vehicles	2,480	5,000	5,000	5,000	5,200
Total Non-Payroll	\$ 260,832	\$ 359,094	\$ 497,670	\$ 497,670	\$ 365,063
<b>Building Operations/Maintenance</b>					
Utilities	\$ 14,189	\$ 17,000	\$ 20,000	\$ 20,000	\$ 23,000
Alarm Monitoring	1,330	2,000	3,000	15,000	3,200
Janitorial and Supplies	14,036	15,000	22,000	22,000	23,000
Maintenance Office Bldg.	24,416	35,600	24,400	24,400	35,000
Leasehold Improvements	8,519	35,000	35,000	146,000	35,000
Total Building Operations/Maintenance	\$ 62,490	\$ 104,600	\$ 104,400	\$ 227,400	\$ 119,200
<b>Program Operations</b>					
Woodsmoke Reduction/Recycle Program	\$ 96,000	\$ 111,000	\$ 111,000	\$ 157,200	\$ 111,000
ARP - EPA - Operational	129,341	-	-	-	0.00
IRA - ECY - Operational - Mt View	-	-	80,000	80,000	-
Ecology Oversight Fees	11,544	15,500	15,000	15,000	15,500
Lacey Mt. View Site Improvements	-	-	22,300	22,300	0.00
Monitoring Program - CPO	30,623	35,000	30,000	47,000	36,000
Monitoring Programs	6,430	4,464	2,700	2,700	6,000
OlyMAP Project	4,460	8,000	8,000	8,000	8,000
Professional Services-Legal (Friends of GH)	-	-	10,000	10,000	-
Security Deposit Refunds	-	-	-	400	-
Total Program Operations	\$ 278,398	\$ 173,964	\$ 279,000	\$ 342,600	\$ 176,500
<b>TOTAL EXPENDITURES</b>	<b>\$ 3,014,259</b>	<b>\$ 3,429,739</b>	<b>\$ 3,580,636</b>	<b>\$ 3,738,236</b>	<b>\$ 3,427,937</b>
<b>Net Surplus (Deficit) Before Appropriations</b>	<b>\$ 2,376,646</b>	<b>\$ (414,690)</b>	<b>\$ (586,517)</b>	<b>\$ (744,117)</b>	<b>\$ (388,578)</b>
<b>Appropriation from Contingency Fund(s)</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2026</b>	<b>FY 2027</b>
General Fund Net Surplus (Deficit)	\$ 2,228,897	\$ (424,690)	\$ (446,517)	\$ (492,717)	\$ (348,578)
Title V Fund Net Surplus (Deficit)	99,371	10,000	10,000	10,000	-
Database Contingency Fund Transfer In	-	-	(150,000)	(150,000)	(40,000)
Title V General Fund Reimbursement	46,736	-	-	-	-
WA Cares Payable	1,642	-	-	-	-
Office Building Transfer In	-	-	-	(111,000)	-
Tenants Security Deposits Transfer In	-	-	-	(400)	-
	\$ 2,376,646	\$ (414,690)	\$ (586,517)	\$ (744,117)	\$ (388,578)
<b>Breakdown of Title V - AOP Fees:</b>	<b>Actual</b>	<b>Budget</b>	<b>Approved</b>	<b>AMENDED</b>	<b>Projected</b>
Fiscal Year Fees	\$ 678,222	\$ 669,138	\$ 670,307	\$ 670,307	\$ 797,707
Repayment to General Fund	(46,736)	-	-	-	-
Contingency Fund	99,371	10,000	50,000	50,000	60,000

**Olympic Region Clean Air Agency  
Fund Balance  
For The Fiscal Year Ending**

	Actual	Approved	Approved	AMENDED	Approved 2/11/2026
	FY 2024 General Fund	FY 2025 General Fund	FY2026 General Fund	FY2026 General Fund	Projected FY2027 General Fund
	1-Jul-23	1-Jul-24	1-Jul-25		1-Jul-26
<b>BEGINNING</b> Fund Balance	<b>\$2,224,967</b>	<b>\$4,601,613</b>	<b>\$4,186,923</b>	<b>\$4,228,141</b>	<b>\$3,600,406</b>
<b>Plus</b> : Revenue Fiscal Year	\$ 5,390,905	\$ 3,015,049	\$ 2,994,119	\$ 2,994,119	\$ 3,039,358
<b>Less</b> : Expenditures Fiscal Year	\$ (3,014,259)	\$ (3,429,739)	\$ (3,580,636)	\$ (3,738,236)	\$ (3,427,937)
<b>ENDING Fund Balance 06/30/20xx</b>	<b>\$4,601,613</b>	<b>\$4,186,923</b>	<b>\$3,600,406</b>	<b>\$3,484,024</b>	<b>\$3,211,827</b>
<b>Year End</b>	<b>6/30/2024</b>	<b>6/30/2025</b>	<b>6/30/2026</b>	<b>6/30/2026</b>	<b>6/30/2027</b>
General Fund Contingency Draw applied to FY Budget	\$ -	\$ (424,690)	\$ (446,517)	\$ (492,717)	\$ (348,578)
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Fund Balances (Fiscal Year-End):					
<u>Contingency &amp; Capital Funds</u>					
<b>Less:</b> Expense Contingency (20% FY Budget less Title V Exps)	\$ 496,757	\$ 558,138	\$ 566,174	\$ 566,174	\$ 528,046
<b>Less:</b> Title V Contingency	\$ 99,370	\$ 129,461	\$ 50,000	\$ 50,000	\$ 60,000
<b>Less:</b> Tenants Security Deposits	\$ 4,350	\$ 3,600	\$ 3,600	\$ 3,200	\$ 3,600
<u>Capital Funds</u>					
<b>Less</b> for Office Building	\$ 120,000	\$ 150,000	\$ 180,000	\$ 69,000	\$ 210,000
<b>Less</b> for Monitoring Equipment	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
<b>Less</b> for Database/Equipment	\$ 250,000	\$ 285,000	\$ 135,000	\$ 135,000	\$ 95,000
<b>Less</b> for Vacation/Sick Leave	\$ 190,130	\$ 160,000	\$ 155,000	\$ 155,000	\$ 150,000
<b>Less</b> for WA Cares Premium (Employee Contribution)	\$ 1,639	\$ -	\$ -	\$ -	\$ -
Committed/Restricted/Designated Funds	\$ 1,182,246	\$ 1,306,199	\$ 1,109,774	\$ 998,374	\$ 1,066,646
<u>Contingency Fund</u>					
Title V Program (due General Fund)	\$ -	\$ -	\$ -	\$ -	\$ -
UNDESIGNATED Fund Balance	\$ 3,419,367	\$ 2,880,724	\$ 2,490,632	\$ 2,485,650	\$ 2,145,181
Year End	<b>6/30/2024</b>	<b>6/30/2025</b>	<b>6/30/2026</b>	<b>6/30/2026</b>	<b>6/30/2027</b>