

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

Finance Committee Meeting – via zoom

September 8, 2021

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

Members absent Bill Peach, Clallam County (alternate)

Staff Present Fran McNair, Executive Director, Lynn Harding, Administrative Services
 Manager, Dan Nelson, Communication Manager, and Debbie Moody, Office
 Manager and Recorder

The meeting was called to order at 9:01 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. Cooper moved approval of the Minutes, the motion was seconded and carried unanimously.

FINANCE REPORT

FY2021 Year End Report

Harding stated we have a good year end report. Under revenues, Harding stated, we collected \$2,577,199, slightly over the budgeted amount of \$2,562,000. Harding briefly went over the line items that impacted our budget. Harding explained we lost one AOP source, but gained another, we also had one source that had under reported their emissions and this resulted in an additional invoice. In the end, the AOP program brought in additional funds over what we had originally budgeted. For our Notice of Construction program, we collected \$166,000 more than we had anticipated.

Cooper asked if this was our biggest construction year. After looking through her records, Harding stated this is the highest year since she started here. Harding continued going over the revenue line items, noting we came in a bit higher on both Asbestos, Land Clearing and Fines. McNair noted we did receive a large fine of \$50K which brought us over our budgeted amount.

Harding stated the balance of core monies were received after the end of the fiscal year. At year end, Harding continued, we will be adding \$127K to our general funds. Cooper asked if the lag in the woodstove program had to do with monies coming in after the end of the year. Harding stated that was correct and added we did turn back \$1250 to Ecology in that program.

Moving on to expenditures, Harding explained we were underspent in Payroll due to a 3-month vacancy in our compliance division, as well as savings under our benefit premiums. Harding went over the general expenditure line items, highlighting a few that came in underbudget. It was noted

we had budgeted to purchase a vehicle but did not. Cooper asked if the money for the vehicle was carried over to the new budget. Harding stated it was.

There was some discussion regarding the purchase of electric or hybrid vehicles in the future. Harding stated she thought there was some directive from the Governor to change fleets to electric. Cooper asked if ORCAA has charging stations on site. We do not, McNair stated, and it is her understanding there are not many on our route from here to Cheeka Peak, for instance. Cooper felt there are quite a few more on the peninsula. Neatherlin noted they have been putting them in Mason County as well, including North Mason. Cooper suggested contacting PSE to see about Solar Power and Electric Charging stations on site prior to changing our fleet out to electric.

Harding continued going over line items. We underspent by \$113K Harding stated. Cooper noted staff did a great job. McNair wanted to share all staff did a phenomenal job, whether they were working from home or here in the office.

Harding moved on to the Fund Balance. We started our year with \$1,721,000, with our revenue and expenditures, we ended the year with \$1,848,692. Harding explained, of that \$1.8 we have set aside, \$830,000 in contingency and capital funds. This leaves an unreserved balance of \$1,162,000. Harding also noted the balance of the debt service with Thurston County for our building is \$44,273. This will be paid December 2022.

Harding also noted we have a notation regarding the Department of Retirement Pension Liability of \$495,663. This has nothing to do with the \$1.8 million balance. This is just on the balance sheet.

Cooper wanted to know if we are comfortable with our reserves and the policies. He also stated, if there are major projects, such as the solar and HVAC system projects, it would be great to get those things underway so the new director can focus on the operations.

Harding stated the resolutions we have in place for the contingency funds are good. The staff cannot use any of the contingency funds without Board approval. It takes Board action to change the funds in any way as well.

McNair noted she is working on a transition plan for the new director. She stated her feeling was to wait on the larger dollar items until we are no longer making a mortgage payment, as that would free up \$40K a year. Cooper wanted McNair to add a paragraph regarding the budgeting process and how the staff team can come in under budget almost every year. McNair stated the communication and ability of staff to work together makes it all possible.

Harding stated it would be nice to wait on the HVAC until the new director is on board. The solar and the roof project would have to be done in tandem. Her feeling is it would be a good thing for the new director to review. There was some additional discussion regarding the projects, but no action was taken. Harding stated we will need to come to the board for a payout when McNair leaves, as we will need to pay her vacation and sick leave. Harding suggested we discuss this at the October Finance meeting.

McNair explained she would like to wait to see who we get for candidates because that affects the transition plans. She noted she has several ideas on how she would transition out but would like to see what the pool looks like and she can share with Harding some options.

Pratt asked if when people retire is there always this cost to pay out vacation, etc. do you have a contingency fund for these things. Harding stated we do; we are prepared for it. It is in a

contingency fund so we would need to have the Board release those funds. Cooper noted the importance of that contingency fund as we have several staff getting close to retirement. Harding explained that fund is based on accrual payouts for staff.


There was nothing further for the committee.

The meeting adjourned at 9:45 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 September 8, 2021, in Olympia, Washington.

ATTEST:



Francea L. McNair, Executive Director
Olympic Region Clean Air Agency

Cynthia Pratt, Chair
ORCAA Finance Committee

DATED: 10/13/2021