

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

**Finance Committee Meeting**

January 8, 2014

Members present: Cynthia Pratt, City of Lacey (Chair)  
Karen Valenzuela, Thurston County  
Jim Cooper, City of Olympia

Members absent:

Staff Present: Fran McNair, Executive Director; Lynn Harding, Administrative Services Manager; and Debbie Moody, Office Manager/Recorder

The meeting came to order at 9:03 am. Valenzuela had called the office to let the committee know she would be arriving late.

Cooper moved approval of the Agenda. There was consensus and the motion carried.

Cooper moved approval of the July 10, 2013 Minutes. There was consensus and the motion carried.

McNair stated she will be going over the agenda items a bit out of order until Valenzuela's arrival.

Surplus – tape drive

McNair explained we have a tape drive that is no longer needed. We would like to surplus this item and try to sell it on Craigslist. Cooper asked if we could have a policy on surplusing items of value. Harding stated we could but there is a state statute. We rarely have items of value to surplus, other than vehicles, Harding noted. McNair felt since we don't do it often, we'd prefer to just bring items to the Board to be declared surplus. Pratt asked if there is a list of items for disposal that will not be surplused. Harding stated we do keep a list of our inventory and disposal items—items with no value.

Cooper asked if the Board will need to act. McNair stated we would like a motion from the Board declaring it as surplus.

Valenzuela arrived at 9:10 am.

Sale of Prius

McNair explained we sold the Prius, via Craigslist, and received our asking price within 24 hour of posting. Cooper asked if the funds from the sale of the Prius would be used to start a reserve for vehicles. McNair noted the money will be put in the general fund, however we would like to set up a reserve fund for vehicles. Cooper asked if that would be done during the budget. McNair stated she felt that would be the right time to do it.

Valenzuela was in favor of a vehicle reserve fund and felt the Finance Committee would want to bring that recommendation forward to the full Board.

### Quarterly Finance Report

McNair felt it was important to go over the finance report prior to discussing the renovation proposal.

McNair went through the quarterly financial report. McNair noted we are doing better in our Major NSR revenues than we anticipated. It was noted some of our funds appear to be lacking and that is due to timing. As an example, McNair stated, assessments are billed in January and we receive the funds in February so they currently show at 0%. There are other funds that are billed quarterly and will eventually catch up.

Valenzuela stated she attended a public hearing on marijuana rules and learned ORCAA may have a role in the permitting process. McNair noted we are not sure yet what our role may be. If the process is deemed agricultural we will have no role in the process. If they are not deemed agricultural, and they use equipment that would fall under our review or use solvents in the processing, they would need a permit from us and would need to register with us as well. Valenzuela is concerned the process time for the businesses will take longer than what the state is anticipating.

McNair continued going over the financial report, briefly explaining each line item. McNair did note we are underspent in salaries. We will be hiring another inspector to fill the now vacant position due to a retirement. We have not been able to get any applications that would be acceptable for a Port Angeles inspector. We are hoping to find someone that has a code enforcement type background.

Cooper asked if salary scales are determined by Board policy, state statute or administrative by the Director. McNair explained a salary survey had been done by the previous director. McNair added she is currently considering a salary survey because she feels our salaries are quite a ways behind other comparable air agencies. Valenzuela noted the addition of a COLA must be approved by the Board and if a salary study hasn't been done in some time, the Finance Committee could recommend to the Board we complete one. Cooper stated his question was who actually set the ranges and scales. McNair stated she assumes it is set administratively and then brought to the Board for final approval. Cooper asked if there is time to complete a survey for the next budget. McNair wasn't sure but can look into it. Pratt asked what direction the committee wanted to go. Cooper suggested McNair gather information and bring it back to the committee for recommendation. Valenzuela stated she doesn't agree and would not like to see a lot of money spent on this type of project. Valenzuela also noted she would not want to rush it in order to include it in the next budget.

Cooper asked if there will be a savings under the benefit lines, during the second half of the year due to AWC moving to a self-insured pool. Harding noted there will be a significant amount of savings.

McNair finished going over the financials noting the budget is on track and we are doing fine.

### Renovation Cost Estimates

McNair stated we would like to move our offices to the other side of the building. We have been

having some difficulties renting out the space and have had interest in this side of the building, McNair explained. We have discussed the potential move with our current tenants and they are willing to move. Harding noted we really need the additional space the other side of the building will provide. Moving will increase our area by about 600 square feet which will allow room for a new inspector and we'll have space for a lab for our monitoring team.

Harding briefly went over the list of renovations we have identified would be needed, including cable lines, phone lines, electrical changes, and staff placement. Harding noted our maintenance person would be doing the construction work, which includes a couple of walls, moving and re-installing doors, changing out locks and some minor paint touch-up. Our plan would be to have the project begin early February. We have estimated \$25,000.00 for the cost of the renovations. Harding noted we did over-estimate the wiring costs at \$11,000.00. This is an expense we would be having to deal with whether we move over there or if we rented the space out.

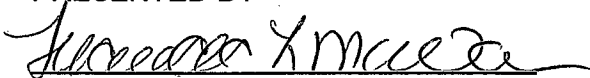
Cooper asked what the payback timeline would be. Harding noted we do have a graduated rent scale already established and once we are fully leased we will be collecting a little over \$50,000.00 in rent. Currently we are incurring approximately \$75,000.00 per year in expenses. Harding stated she did not know what they payback timeline would be, but would guess less than five years. McNair did note we won't need to use any of the building reserve due to savings in other areas of our current budget.

Valenzuela asked the projected timeframe. McNair stated we think we would be completely moved by the first week of March. Valenzuela requested a brief open house prior to a spring Board meeting.

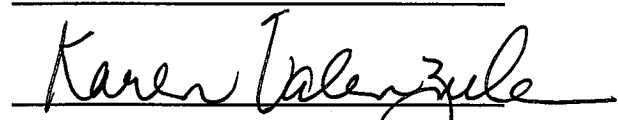
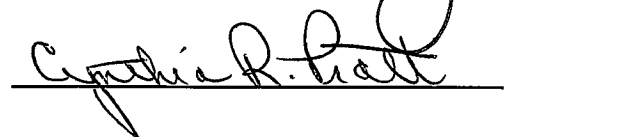
The next Finance Committee is scheduled for April 9<sup>th</sup> and will cover the first draft of our new budget.

The meeting adjourned at 9:54 am.

PRESENTED BY

  
Francea L. McNair, Executive Director

APPROVED BY:

APPROVED and SIGNED this 09 day of April 2014