

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

**Finance Committee Meeting**

April 9, 2014

Members present: Cynthia Pratt, City of Lacey (Chair)  
Karen Valenzuela, Thurston County  
Steve Rogers, Pacific County

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 8:55 am.

Valenzuela moved approval of the Agenda. Rogers seconded the motion and it carried unanimously.

Valenzuela moved approval of the January 8, 2014 Minutes. Pratt seconded the motion and it carried by a majority vote. (Rogers abstained).

Prior to moving on, it was noted a Chair needs to be chosen for the committee. Valenzuela requested the committee wait until we know who the members of the committee are as she felt there was still a question with regards to a missing member. Valenzuela asked if Pratt would continue to Chair for now. Pratt stated she would, however it was her understanding that the committee is a three member committee, but wasn't sure if that was in the by-laws or not. Pratt noted we could continue the meeting while Harding consulted the by-laws.

**DIRECTORS REPORT**

Draft FY15 Budget

McNair went over the income statement that covered the current budget through the end of March 2014. McNair noted we should be at 75% of our revenues and we are currently at 72%. In theory, our expenditures would also be at 75% and is currently at 66%, McNair added. McNair stated we have had some salary savings and our staff is very conscientious with spending. McNair noted the move did result in several of our line items (computers, phone, and supplies, for example) going over their original estimates but we were able to accomplish it without requesting additional funds for the year. McNair stated when we came to the Board with a proposal to move, we anticipated the cost of the move to be around \$25,000; we spent just over \$27,000. We also purchased a new telephone system, which was not in the original proposal, and it did cost around \$8,900. The new phones are a VOIP system and will save us money each month.

Pratt asked how long, over time, will the phone system pay for itself. McNair stated she has not calculated that but could get the information. Pratt stated she would be interested in those numbers.

McNair moved on to the projections for the end of our current fiscal year. McNair went over several line items. Under AOP, McNair explained, we will be collecting approximately \$20,000 less than anticipated due to the shutdown of one of our sources, Harbor Paper.

Rogers asked about marijuana operations, noting there appears to be a rather extensive ventilation system being put into a marijuana operation in Raymond. Rogers asked if ORCAA would receive revenues from these types of operations. McNair explained it depends on the operation. If they are strictly using filters on their operations, we will not have to regulate them. If, however, they put in a boiler or other technology that we regulate then we get involved. McNair noted we can check into it. Rogers also noted there is a new boiler that has been installed at an alder mill that staff may already know about.

McNair continued through several line items. Valenzuela noted the revenues appear to be \$133,000 less than budgeted, where will that be made up? Harding stated it will be made up in the expenditures—we are underspending by approximately \$258,000 this fiscal year. Harding explained a large portion of the lost revenue and the saving in expenditures is due to the Ultra-Fine program. Equipment came in at a lesser cost, funds came in later than expected, and we incurred costs later than anticipated, Harding explained.

McNair noted we had anticipated spending \$172,000 out of our reserves and it appears it will be closer to \$47,000.

McNair moved on to the Draft FY15 budget. McNair and Harding noted the Grants are all contracted and should be good numbers. Under fees, we did reduce the AOP's due to the loss of Harbor Paper. Pratt noted it appeared the AOP is down an additional \$20,000. McNair explained we will be using some AOP reserves. Harding explained we will reduce the cost to our sources.

We also decreased the Major and Minor NSR a bit as we fell short of our projection in FY14, McNair continued. The building income shows what we believe we will receive this coming fiscal year. This is based on our current rentals, Harding noted. Valenzuela asked what the rental income would be if ORCAA's rental space was fully rented. Harding stated it would exceed \$50,000.

McNair stated we are anticipating using \$169,063 of our reserves to balance the budget for FY15.

McNair moved on to expenses. We looked at a variety of entities regarding COLAs for this coming year. The range is from 4% down to 0% and we have placed a 2% COLA in the draft budget. Harding added the draft also includes 5% increase in medical and 1.1% in retirement. Harding noted we may receive a 2% reduction in our medical next year due to our Wellness activities, however it is not included in the budget.

Under Professional Services, McNair continued, we did increase that line a bit and we added an extra \$5,000.00 to cover the cost of a salary survey. McNair stated she continues to solicit bids for the salary survey but has run into issues due to the size of our agency. Valenzuela stated she did not want to spend money on a salary survey and requested this topic be brought before the full Board. Her thought was it should be informal and done in house. McNair thought it would be more objective if done outside. We do have some information from the other similar sized local airt if that is what the committee prefers.

Going over the Fund Balance Sheet, McNair explained in July 2013 we started the year with \$1,569,488 and we anticipate our beginning balance will be \$1,522,530 on July 1, 2014. Our anticipated ending fund balance for FY15 is \$1,308,467. McNair stated we will also add some funds to each of our reserves – Office Building, Monitoring Equipment, Database and Vehicle.

Pratt asked if staff was comfortable with the budget. McNair stated we are confident in our budget. Pratt asked if Harding had an answer regarding the makeup of the Finance Committee. Harding read from the By-Laws "...3 Board members to serve on the Finance Committee."

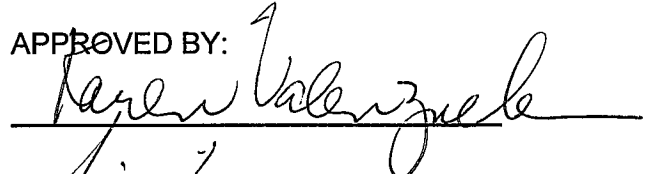
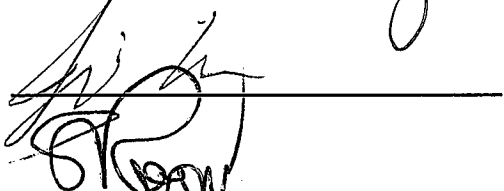
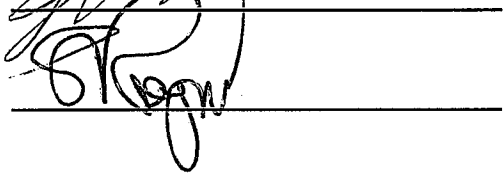
Pratt asked for nominations for Chair. Valenzuela nominated Pratt for Chair, Rogers seconded the nomination and it carried.

The meeting adjourned at 9:59 am.

PRESENTED BY

  
Francea L. McNair, Executive Director



APPROVED BY:  
  
  


APPROVED and SIGNED this 11 day of June 2014