

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

Finance Committee Meeting

October 8, 2014

Members present: Cynthia Pratt, City of Lacey (Chair)
Jim Cooper, City of Olympia

Members absent: Karen Valenzuela, Thurston County

Other Board: Steve Rogers, Pacific County

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

The meeting came to order at 9:00 am.

Cooper asked if we need to discuss having a fourth member on the committee. It was noted our business rules would need to be amended. McNair noted anyone can attend the meeting. Rogers stated he had officially appointed Cooper to the committee and Rogers stated he would continue to attend. Cooper moved approval of the Agenda. Pratt seconded the motion and it carried unanimously.

Cooper moved approval of the June 11, 2014 Minutes. Pratt seconded the motion and it carried unanimously.

DIRECTORS REPORT

Fiscal Year 2014 End of Year Report

McNair asked Harding to give a report. Harding stated the year end process showed we utilized only \$1,602 of our reserves, rather than the \$142,000 that was in the original budget. Harding highlighted savings we had over the year, including our benefits with AWC. Harding went over the revenue and expenditures for the year. McNair did note that she will be talking to the other air directors, as well as ecology, regarding the state core monies. The core grant is based on several factors, population being one of them. Because ecology doesn't run the numbers each year, McNair continued, we are being shorted by about \$30,000. Spokane used to have a higher population, however we have surpassed them and we would like to have ecology recalculate the grants, taking into account current population. McNair did note she would like to see a ceiling and floor set so PSCAA doesn't get the lion's share, while Benton and Yakima get very little. McNair will be suggesting they recalculate the population portion every two years.

Harding noted we did go over by \$10,000 in our computer (hardware/software) line item due to the increase in cost to the programs we use. Pratt asked if there is a way to bring that number down. Harding stated our Network Administrator is looking at getting away from some of the Windows programs that we rely on that won't be as costly. Cooper noted they won't be as efficient either. McNair stated she believes they are Linux based programs. Cooper stated the employees will not like it—the tech staff always like that kind of programming, but the users

won't. Harding did note it is important that we maintain programs that will allow us to communicate with the other jurisdictions we work with. McNair added that part of the overage was due to setting up our new server room as well.

Rogers noted the interest expense line and asked if that was our building. Harding stated it is and our payoff date is in 2022. There is no prepayment penalties, however we are at an excellent interest rate (under 3%), Harding stated. Rogers asked what the principle is at currently. Harding noted it is \$340,000. Cooper suggested we pay it off. Harding stated we could, and it would save us about \$45,000 in interest, over the next eight years. After some discussion, it was decided to continue paying the mortgage at this time. Cooper wanted to verify the line item is principle and interest, not just interest. Harding stated that was correct. Harding noted she would add "P&I" to the line for clarification.

Harding stated the fund balances are on the back of the printout. It was noted we will be adding the vehicle reserve account to the FY15 budget. Harding explained we will need to discuss adding a reserve account that would cover vacation and sick leave of staff. The state auditor has stated we need to book the balances of staffs' leave. As of June 30, 2014, that reserve would be set at just under \$120,000. Harding noted the amount will change each year, depending on the level of staffs' leave balances. The committee agree that should be done.

McNair noted we continue to work on getting the vacant space rented. We did lose one potential renter for the upstairs space as their contract with the city required ADA access. Cooper asked if staff had looked into a chair lift. McNair stated we had not, but we will.

Fiscal Year 2015 1st Quarter Report

Harding noted we are currently doing well in this first quarter. Harding stated we have collected 32% of our revenue and spent 24% of our expenditures. Harding stated we should be receiving an additional \$25,000 for the woodstove bounty program. McNair added we are looking at receiving additional funds for the Ultra-fine program as well. After talking to UW, they have determined they would need an additional \$75,000 to complete extend the study for one year.

Harding continued going over several line items. There were no significant questions or concerns.

McNair noted we continue to build our reserve for replacement of our heating system. Rogers noted perhaps we should look at solar. McNair stated we have explored our options but were told it wouldn't be beneficial in regards to the pay-off. Cooper stated there is a model for an employee cooperative that owns the solar system. Cooper noted the city has about six projects and would find out the contact for McNair to call.


Pratt asked if there were any issues the committee needed to pay particular attention to. McNair stated there were not. Cooper asked if there would be a proposal for the vacation/sick leave reserve. Harding stated it would be brought to the next Board meeting. McNair noted we need to discuss the December Board meeting. McNair has a conflict as JLARC will be presenting their report on the same day. Rogers stated the December meeting could be discussed before the full Board.

Pratt was asked to give a report to the full Board regarding items discussed at the finance meeting.

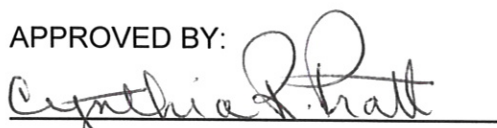
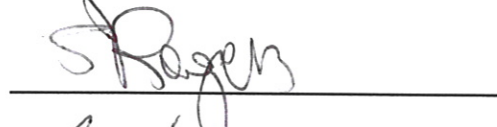

McNair noted she had received a request from Lane County's (Oregon) Air Director requesting a copy of our salary survey. McNair explained she had forwarded to him and he was very impressed with the work our staff had done. McNair stated we also forwarded on our marijuana information. Pratt did note that the newest issue, with regards to marijuana, is whether or not, when the marijuana is put through the waste water treatment, if the THC is removed.

The meeting adjourned at 9:52 am.

PRESENTED BY


Franacea L. McNair, Executive Director

APPROVED BY:

APPROVED and SIGNED this 14 day of January 2015