

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

Finance Committee Meeting

April 8, 2015

Members present: Cynthia Pratt, City of Lacey (Chair)
Jim Cooper, City of Olympia
Steve Rogers, Pacific County (late)

Members absent:

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

The meeting came to order at 9:00 am.

Cooper moved approval of the Agenda. Pratt seconded the motion and it carried unanimously.

Cooper moved approval of the March 11, 2015 Minutes. Pratt seconded the motion and it carried unanimously.

UNFINISHED BUSINESS

3rd Quarter Report – Fiscal Year 2015

Harding noted we have received 74% of our revenue and expended 72% of our expenditures. We should be at 75%, on average. Harding briefly went over several line items under revenue. It was noted we have contracted out one of our employees to Northwest Clean Air Agency to assist them with their online forms and credit card program. Harding added we have also recently rented out another office space and have just one space left.

Harding briefly went over several line items under expenditures, noting one staff member will be leaving this month so there will be some additional savings under payroll and benefits. McNair did note that we do still hope to get our funding for the Ultra-fine project, however some lobbyists misinterpreted the bill, thinking it was a new project, and requested it be taken out of the budget. We are working with them to get it back in the budget and feel pretty confident it won't be an issue.

Harding went over the current fiscal year budget which includes an estimate for the remainder of the year. At this time we are projecting to use \$117,000 of our reserve, rather than the \$256,000 we budgeted. Payroll and benefits are going to be quite a bit less than we budgeted due to staff leaving.

McNair moved on to the draft FY16 budget. McNair explained we are in the second year of our salary update. Because we knew we would be using reserves, our management team came up with several options for implementing the salary changes in the second phase. McNair went over the options, noting the majority of the management team requested we implement the

salary increases and steps and not include a COLA. McNair did noted we do not want to fall behind again, so we would look at implementing the 2016 COLA increase with the 3rd phase and any COLA increase associated with the FY17 budget. The 3rd phase is the final phase of the salary increases. Cooper noted it is only about \$28,000 more to include the COLA, correct. McNair stated that is correct. Harding went over the FY16 draft budget items, noting McNair did get an additional \$28,000 for our core funds by convincing Ecology to use the funding formula. Cooper questioned the per capita assessment. It was noted we are currently charging 45 cents per capita. The rate has not changed in 7 years, Harding stated. Cooper noted if we don't get the woodstove grant, this would be a way to put money into our mission. McNair stated we can only apply our woodstove program to Thurston County. An increase in assessments would allow us to include the other counties for woodstove change-out programs.

Harding continued going over the draft budget. McNair reminded the committee that we had three open houses to give sources a chance to talk to us about a proposed fee increase. The turnout for the meetings was negligible. We had 3 people show up at our Port Angeles meeting, 1 in Hoquiam and no one for the Olympia meeting. The public hearing is scheduled for the May 13 meeting. McNair stated we will be budgeting \$120,000 in new revenue if the Board approves the fee increase. The resolution for the fee change will also include a CPI factor that will be applied unless the Board says not to.

McNair noted Nelson has been working on the residential outdoor burning program and working on the implementation of a fee. Nelson explained we have had a free burn permit system in place for 13 or 14 years. Nelson asked the current permit holders to complete a survey asking how many times they burn, how much they would be willing to pay. We currently have about 2,700 permits this season. We received approximately 25% response on our survey and over half agreed a fee made sense and they would be willing to pay something. The average amount they felt was fair was about \$20. These permits are good for 9 months of the year (Oct-June). (Rogers arrived)

Nelson explained our goal is two-fold. We hope to raise revenue to cover the cost of the program, as well as reduce emissions. By charging a fee, we hope it is an incentive to haul their debris or compost it rather than burn it. Nelson stated we are hoping the Board will move to allow us to go forward with the CR102 change now, and we can set the dollar amount at a future meeting. Nelson stated the most telling number is 54% of those surveyed are willing to pay.

Rogers asked if this item is on the Board agenda. Nelson stated it is not, he was planning on having it as part of his presentation. McNair stated if approved by the Board, it will be on the May agenda as a public hearing. Rogers stated you are proposing a motion and it isn't on the agenda. Cooper stated he wasn't comfortable with that either. Cooper stated he feels a full presentation, including the background and what we are affecting, before we make a motion. McNair stated we could add it to the agenda. Rogers asked if it was appropriate to place it on the agenda today. Cooper asked if staff was prepared with a full presentation and we want to make sure the Board is doing its due diligence. Cooper added his and Pratt's constituents are getting the brunt of this pollution. Cooper didn't feel he had enough information to act at this point. Cooper didn't feel this proposal goes far enough to reduce pollution. Nelson noted the motion would only be to add Thurston County residential burning to our regulations and give us the ability to set fees. Cooper stated he wants a report on why we aren't going to just ban burning. Cooper reminded the committee we had requested that information from the County and he didn't recall getting a final report. McNair felt we needed to do this in small steps. Cooper felt this isn't about revenue, this is about reducing pollution. McNair explained

enforcement would be difficult, so if we ramp it up starting with a fee, we can recover some cost as well as reduce emissions. Getting their buy-in is important.

Cooper apologized for getting off budget, however wanted it noted that his next recommendation would be to use our reserve to hire an enforcement person for 2 seasons and have the fee be high enough to reduce fires. We need to lead the Board down the right path, with the known science, and currently we have a non-scientific survey. Cooper strongly urged we prepare a presentation for the Board. McNair asked if it would be appropriate to have staff introduce the subject today, indicating that we will have more detail at the May meeting.

Rogers asked if the Board would be making a motion to process the CR102. McNair stated if we can get the Board's blessing to move forward, it would be helpful for the timeline. Cooper felt we should get more information prior to filing the CR102.

Pratt wrapped up the meeting stating staff will need to prepare a presentation for the full Board, we don't have to have a motion from the Board today, although we could.

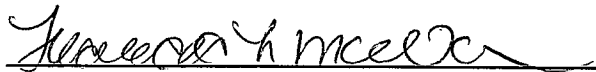
There was nothing further for the Committee.

The meeting adjourned at 9:55 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 April 8, 2015, in Olympia, Washington.

ATTEST:


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


Cynthia Pratt, Chair
ORCAA Finance Committee

DATED: