

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

Finance Committee Meeting

May 13, 2015

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

Members absent:

Staff Present: Fran McNair, Executive Director; Jennifer DeMay, Engineer II; and
Debbie Moody, Office Manager/Recorder

The meeting came to order at 9:10 am.

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

Pratt asked for approval of the Minutes of April 8, 2015. Cooper moved approval of the April Minutes. Rogers seconded the motion and it carried unanimously.

UNFINISHED BUSINESS

New Source Review (NSR) Fee at Full Cost Recovery

McNair explained the Board asked what the fees would look like if we went for full cost recovery of the NSR program. McNair asked DeMay to give her presentation.

DeMay reminded the committee the reason behind the increase is because the current fees do not cover the cost of the program. DeMay briefly went over the fee presentation noting the previous recommendation omitted training time from the proposed fees. This second set of fees does include training costs associated with the NSR program.

DeMay noted the impact is to the Complexity fees, not the equipment fees. The Complexity Fee increases by 17%.

Cooper asked if staff knew what the cost of a project would be for someone that is categorized under High Complexity. McNair explained it varies, but for instance, the Nippon project was around \$8 million. DeMay did note the original proposal kept us below the highest fees paid at other agencies – the new fee, our gasoline, concrete batch plant, and asphalt plant fees will be the highest—by a few hundred dollars.

McNair noted we have the Resolution ready for the Board meeting and hope the Finance Committee will be prepared to make a recommendation.

Cooper asked about changing the fees after the public hearing. McNair noted it could be done, however, we didn't really have any comments. Rogers noted things that seem transparent to us, may not be to the general public. McNair agreed and noted sources likely aren't thinking about these fees until they have a project. Cooper asked if the committee was making the recommendation. McNair stated we would like the committee to recommend one of the

proposals to the Board. Pratt felt we should cover our costs.

Cooper moved the Finance Committee recommend the full cost recovery proposal to the full Board. Rogers seconded the motion and it carried unanimously.

Draft Fiscal Year 2016 Budget

McNair stated we had budgeted to spend \$256,000 of our reserves to balance the 2015 budget, however, it appears it will be about \$78,000. For the 2016 budget, we had suggested we include the second phase of the salary survey and step increases with no COLA. Because the use of our reserves is so much less than we anticipated, we have included a 1.8% COLA, McNair stated.

McNair explained the difference in the original budget and the new COLA included budget equates to a \$26,000 increase. With the new budget, we went from \$149,000 from reserves to \$176,000, McNair stated.

This proposed new budget includes our NSR fee projected at the 85% cost recovery and \$50,000 for outdoor burn permits. McNair added we will have to adjust the budget if we do not institute a burn fee.

Cooper asked if the new fee resolutions are tied to the CPI. McNair stated we did include the CPI in the resolution and it is set to be automatic unless the Board chooses not to increase that year.

After additional discussion, McNair explained she wanted to present both budgets to the committee for review. The original budget has been on our website for the 30 days, however we have not posted the COLA budget. The hearing for the budget is today, however it is typically held over until the June meeting and voted on at that time. McNair stated if the committee would like us to present the COLA budget to the Board, we would put it on the website and it would be open for public comment until the June meeting.

Harding added she will continue to update the "actual" column on the budget spreadsheets as we get closer to the final day.

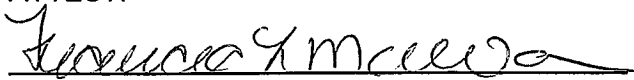
Cooper moved the Finance Committee forward the replacement budget, which includes a 1.8% COLA, to the full Board. Rogers seconded the motion and it carried unanimously.

The meeting adjourned at 9:40 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 May 13, 2015, in Olympia, Washington.

ATTEST:


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


 Cynthia Pratt, Chair
 ORCAA Finance Committee

DATED: 10/19/2015