

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

Finance Committee Meeting

March 8, 2017

Members present: Cynthia Pratt, City of Lacey (Chair)
Wes Cormier, Grays Harbor County
Jim Cooper, City of Olympia
Terri Jeffreys, Mason County

Members absent:

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

The meeting came to order at 9:00 am.

Pratt asked for approval of the Agenda. Cormier moved approval of the Agenda, the motion was seconded and carried unanimously.

Pratt asked for approval of the Minutes of January 11, 2017. Cormier moved approval of the Minutes, the motion was seconded and carried unanimously.

FINANCE REPORT

Draft FY2018 Budget Discussion

McNair noted there are a lot of unknowns regarding the federal budget currently. Because of this, McNair stated, we have chosen to include cuts to our federal (20%) and state (10%) funds however we will update these numbers as we get more information.

McNair explained she has put a 1.7% COLA into the budget, knowing we may get cuts in the federal budget. The reasoning, McNair stated, is we want to keep our salaries up with inflation and we do not want to lose staff. McNair stated she has spoken with senior staff and they have agreed to take a day without pay, once a month or so, if needed.

McNair went through the proposed revenues, noting we have increased our fees by 2.3%, including the assessment for our jurisdiction. McNair did remind the increase for the assessment can be removed at the Boards' discretion.

Cormier asked if there is any interest in petitioning the state to give marijuana money to the local air agencies. McNair noted she had talked to a few legislators, but got no support. There is currently a bill before the legislature trying to get marijuana deemed agriculture, we don't know if it will happen or not. If the bill goes through and marijuana is agriculture, we won't be able to deal with the odors.

McNair continued going over line items, noting she is concerned with some of our projections. NOCs, asbestos and fines, McNair noted, are a bit high for me at the moment. The committee

agreed with McNair's assessment of the amounts. Cooper asked if staff could prepare a 5-10-year line graph of fines for the committee to review. McNair stated she would have it for the next meeting.

McNair did note, at this point in our FY17 budget, it does appear we will be using little to no reserves. However, we are still projecting spending \$146,000 of our reserves for FY18. Cooper asked if the projected reserves 5 years out changed. McNair stated it still shows we are out of reserves 5 years out. Jeffreys asked what the reserve balance is to date. McNair stated the unreserved balance is approximately \$600,000.

Pratt asked what it will take, long term, to stay stable. McNair stated fees for our programs would have to be increased to cover the cost. McNair noted we will be increasing our rents by the CPI as well, although it isn't reflected in this draft. Our investment interest is lessening as we pay down our mortgage, McNair added.

McNair moved on to expenditures, noting again the 1.7% COLA for salaries. We will be negotiating a new contract with our counsel this year, McNair continued, and we are expecting an increase.

As for vehicles, we are planning on replacing a vehicle this coming year. We will be selling our Honda Civic (hybrid) and we are considering purchasing another Honda Fit. We will be looking at replacing our Honda Element as it also has high mileage on it. McNair explained they no longer make an Element so we will be looking at a truck as it is used for Cheeka Peak trips. Cooper asked if the Element has any major issues. McNair explained it just has high mileage. Cooper suggested checking on the cost of dropping a new engine in, rather than purchase a new vehicle. McNair stated we could consider that option. McNair continued with the line items.

McNair reiterated this draft is very preliminary and we assume there will be several changes made prior to the next meeting. We will schedule the hearing for the May and June meeting.

There was nothing further for the Committee.

The meeting adjourned at 9:55 am.

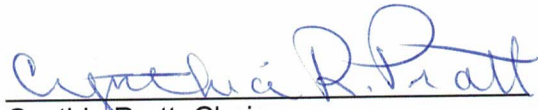
CERTIFICATION

I hereby certify this is a true and correct copy of the minutes of the meeting of the ORCAA Finance Committee held on March 8, 2017, in Olympia, Washington.

ATTEST:



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



Cynthia Pratt, Chair
ORCAA Finance Committee

DATED: 4/12/2017