

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

**Finance Committee Meeting**

April 11, 2018

Members present: Cynthia Pratt, City of Lacey (Chair)  
Wes Cormier, Grays Harbor County  
Jim Cooper, City of Olympia (9:09am)

Members absent: Terri Drexler, Mason County

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

The meeting came to order at 9:03 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 10, 2018. Cormier moved approval of the Minutes, the motion was seconded and carried unanimously.

**FINANCE REPORT**

Third Quarter Report FY2018

Harding stated we have collected 86% of our budgeted revenues. Harding pointed out a chart she added to the form, breaking down the funds we receive into percentages. Harding briefly went over several line items. Harding did state we have not yet used our administrative reserves, however we do anticipate using a small amount.

Harding moved on to the expenditures, noting we are 72%, slightly under in our budgeted amount, partly due to our benefits coming in slightly under our estimation. Harding continued with several line items. Harding noted we have received the contract, from EPA, for the Air Toxics grant, as well as from Evergreen, so that program is underway. Harding asked if there were any questions. Cormier asked if the assessments pay for salaries and benefits. McNair explained assessments support the community-based programs that are unfunded by other means (monitoring, complaints, outdoor burning etc.) as well as salaries. Cormier asked if it is discretionary. McNair stated it is, however we try to focus on the communities it came from.

Harding ended by stating we anticipate using just under \$26,000 of our reserves. We will also be setting aside \$25,000 for Title V reserve.

There were some questions regarding the reserve accounts listed on the fund balance sheet. Cooper requested copies of the reserve or financial policies, so we can review them. Harding noted they are resolutions and are identified on the fund balance sheet. Cooper stated he would like a copy to look at while reviewing the budget. Cooper asked to have them emailed to the

Finance Committee.

### Draft FY2019 Budget

Harding noted the sheet she provided shows last years final, our approved fy18 budget, where we are year-to-date, the proposed fy19 and projected fy20 budgets. There are no significant changes between our current budget and the proposed budget. We have included a 3% increase in fees and we didn't include marijuana facilities in our Registration line this year. Noting the large increase in the salary line, Harding explained the increase due to the 2 interns who will be working on the Community Air Toxics grant, as well as a 3% COLA for staff. The CPI was 3.3% and chose to use 3% because we also include a slight increase in the benefits line. We also expect a 2% reduction in the benefit line with eWellCity.

Harding explained we have added some funds to the leasehold improvements line, so we will be able to fix some siding issues and other minor building items that need taken care of in the upcoming year. We are also looking at replacement of one of the HVAC systems.

The proposed budget expects to use approximately \$134,000 to balance the budget. Harding did note we typically don't need to use but a small portion of the budgeted reserves. Cooper requested another 5-year look at the reserve balance before we do a final budget. Pratt asked that it be emailed so they have time to review it prior to the next meeting.

Harding gave a brief building pro forma to the committee, noting she would have a more detailed description for the full Board. Harding noted we are scheduled to pay off our building in December 2022. Cooper asked if we should consider paying off the building. It was noted we are currently paying only 2.4% interest and we would save approximately \$19,000 in interest if we paid it off today. Harding stated she could include a payoff where we are and what it would look like in the 5-year projection.

### NSR/NOI Fee proposal-draft

McNair explained we wanted to look at our fees. Our fee resolution states we will increase fees by CPI, with a ceiling of 3%. For our Notice of Construction and Notice of Intent programs, it has been about 3 years since we looked at them, so we wanted to take a closer look at the fees. Jennifer DeMay, Engineer, has looked at the numbers and would like to explain the proposed changes.

DeMay noted we have been doing a substantial amount of billing of additional fees so we felt it was important to look at our fee schedule. We originally felt our fee schedule would be such that 50% of the permits would have additional billing. DeMay stated the extra billing takes time and the applicants would prefer a better idea of their fees up front. We also made improvements to our review time, DeMay continued. We have templates for some of the common permits and felt we may be able to reduce the cost of those permits based on the new time it will take to process them. DeMay went over the proposed changes. DeMay did note that many of changes will not be changing the bottom line in most cases. The fees and time were both adjusted to account for the additional billing we have been having to do.

Cooper asked if the fee documents, related to the NOC/NOI program could be put into one document. DeMay stated she could prepare that for the Board. It was noted the committee typically brings forth a recommendation to the Board regarding the budget. Pratt asked if staff is looking for a recommendation to take to the Board today. McNair stated we will want it later, as

part of the budget. McNair noted we will prepare a new resolution which we'll attach the new NOC/NOI fees to. We don't normally do a new resolution, but because we are changing the fees by something other than the CPI, we need to have the Board look it over and decide. Cormier felt this was a policy change that should go before the entire Board, rather than the committee. Staff stated they can bring the redline and clean version to the full Board as desired.

Pratt asked if there was anything further. McNair stated the legislature passed the Family Medical Leave Act and in 2019 we must begin paying into the fund. McNair did note people cannot begin to use the funds until 2020. Because we are under 50 employees, we are not required to pay the employer portion, however after looking at the cost, we would like to pay the first year for our employees and we will look at the fees each year. McNair noted the employers have no control over the money or who uses it, we are just paying into it each year. Payment is based on salaries and is set, this year, at .04%.

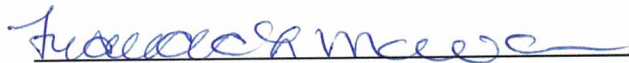
McNair stated we will bring the proposed budget to the Board meeting in May, as a public hearing, and it will be extended until June for final approval.

The meeting adjourned at 9:52 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 11, 2018, in Olympia, Washington.

ATTEST:

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

  
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Cynthia Pratt, Chair  
ORCAA Finance Committee

DATED: May 9, 2013