

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

Finance Committee Meeting

April 10, 2019

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

Members absent:

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

The meeting came to order at 9:00 am.

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

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FINANCE REPORT

Fiscal Year 2019 third quarter report

Harding noted we are doing well in our 3rd quarter, collecting 77% of our revenues and we are at 66% of our expenditures. Harding did note the sheet was current as of the end of March and since then, we have received all the AOP and Assessment payments. Harding noted our grants are reimbursed after we incur the cost, and we request our funds quarterly. Harding went over several line items, noting where they stand currently. We have collected \$1.9 million of our \$2.5 million budget.

Neatherlin asked if the committee ever gets a look back, to see whether being at 77% this time of year is normal. Most of our revenue, Harding explained, comes from fees. We stay on track most years. Neatherlin, being new to the committee and Board, requested a 3-year history of our budget for review.

Cormier added, wouldn't it best to have most of our revenue come from Assessments rather than, say grants. You never know when grants are no longer available. Also, fees as well, Cormier continued, we could have a few bad years. Cormier noted he is for higher assessments because it is the responsibility of the counties and cities to pay for ORCAA's services.

McNair explained, it is difficult, we want the businesses to pay their costs. We are working on getting the fees to cover the work of the engineers in permitting. We are also working on making sure the assessments we get from the cities and counties pay for those activities not covered by other funds, such as outdoor burning, and woodstove issues.

Harding explained we do not foresee using any of our reserves at the end of this fiscal year. We had some additional income, as well as savings due to being down 2 staff for a portion of the year.

Harding went over several line items under expenditures, noting we will be purchasing a vehicle this year, to replace the Element. Cooper was concerned about the purchase of a truck. McNair

explained, we must be able to safely haul gas canisters up to Cheeka Peak, and we need 4-wheel drive.

Harding moved to the Fund Balance Sheet, noting we started with \$1.5 million and are currently at \$1.85 million in our account. Harding noted, \$639,000 of that \$1.85 million are utilized in reserve accounts as listed on the sheet.

Draft Fiscal Year 2020 Budget

McNair reminded the committee that we no longer use the Seattle Tacoma Bremerton CPI, but are now part of the Western Region-Jurisdictions under 2.5 million. The CPI we are using this year is 2.9% and we have applied that to our COLA and all fees.

Harding briefly went over the proposed budget, noting there were very few changes. Harding noted the items that have changed, adding the fee-based revenues have been increased by 2.9%. Cooper asked why AOP has gone down. Harding explained that program is based on workload and we do expect it to change prior to the final draft. Harding noted, we expect to use \$212,000 of our reserve funds. Neatherlin asked why we budget into our reserves. McNair explained, simply we don't have enough revenues to cover our budget. Cooper noted, in all the years he has sat on this Board, we have not used all the reserves we budgeted.

Cooper asked if we could get a 5-year projection. Harding stated we could do that in June.

Harding explained there are a few changes in expenditures. There is a 5% increase in employee benefits, imposed by the AWC trust. It does include the 2% reduction on the Well City award. We have included a 2.9% COLA for all staff. Harding continued going through the expenditures, noting there is little change to most line items. Cooper requested Harding email him the building pay-off amount. The fund balance sheet, Harding noted, shows we will be starting with \$1.5 million and will end with \$1.3 million.

McNair stated we typically open the public hearing at the May meeting. The Board can vote on the budget in May, if they so choose, or it can be voted on in June. McNair stated we must have it passed by the June meeting.

Cooper noted the director had a review last year and asked if her salary is an action item. McNair noted, it is currently part of the budget and includes the 2.9% increase. McNair did add that she does have data on salaries for the other directors and she is still the lowest paid director in Western Washington.


There was nothing further of the committee.

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 10, 2019, in Olympia, Washington.

ATTEST:


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


Cynthia Pratt, Chair
ORCAA Finance Committee

DATED: 5/8/2019