

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

Finance Committee Meeting – via zoom

October 13, 2021

Members present Cynthia Pratt, City of Lacey (Chair)
 Randy Neatherlin, Mason County

Members absent Jim Cooper, City of Olympia
 Bill Peach, Clallam County (alternate)

Staff Present Fran McNair, Executive Director, Lynn Harding, Administrative Services
 Manager, Dan Nelson, Communication Manager, and Debbie Moody, Office
 Manager and Recorder

The meeting was called to order at 9:00 am.

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

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

FINANCE REPORT

FY2022 Budget Impacts

Harding explained the Board asked for an update of the impacts to our Fiscal Year 2022 budget the Board approved. Specifically, Harding stated, the impacts made by our director leaving and the hiring of a new one.

The Board approved a budget of \$2,721,210 in June. With the additions, it would include \$92,359 in adjustments. This impact includes McNair's most current salary adjustment (from \$165,000 to \$180,000, effective October 1), benefits applied, payout of her sick and vacation with benefits. This amounts to \$53,549. Adding the new director, assuming pay at \$165,000 and a start date of February 1, 2022, it adds another \$68,750 plus benefits of \$22,000. Taking into account the amount we had already budgeted for the year (\$51,940) gives us the \$92,359 impact.

Harding explained we will need to consider a possible budget amendment of \$92,359. Pratt asked where the funds would come from. Harding explained we did have savings due to the additional debt payment made at the end of our previous year (that is in the budget for this year).

Harding did suggest we wait until at least January to decide on the budget amendment. Harding explained the largest payment will happen in April when we pay McNair's sick leave accrual. Harding added not only do we have the \$40,000 debt payment budgeted that we will not expend, but there are also some leasehold improvements (in the amount of \$30,000) that we are not sure if we will use. Harding is hopeful we have enough savings we will not need to do a budget amendment. Also, Harding explained, we do carry a balance in our contingency fund to cover accruals when staff leave. We do need a formal resolution from the Board to transfer those funds to the budget. Pratt noted, we will need two resolutions. One to move the money from the contingency fund to the budget and a second one to do the budget amendment.

Harding stated we will wait until January and bring back a recommendation to the Finance Committee who can then discuss with the full Board. The committee agreed.

FY2022 First Quarter Report

Harding stated the attached document shows our previous year end budget in the first column, this year's approved budget in the second column, and the third column shows our current activity through September. The difference and comparisons are shown after the third column. Harding explained this shows we are basically on target for the first quarter. Revenues are currently at about 34%. McNair noted we are doing a bit better with our registration this year. We had lost a few sources last year, we have picked up a few new ones and they are paying, which is good. We are expecting some major fines this year, McNair explained. There are 2 companies who have knowingly done things without approval, so there will be fines associated with those activities. McNair felt Goodin would discuss this more at the Board meeting. McNair stated we just received our woodstove reduction funds but we have not yet started processing.

McNair explained we are seeing land clearing burning starting up and residential permits are coming in as well. McNair stated she was amazed at the number of burning permits we have.

Pratt asked what Miscellaneous revenue included. Harding explained we budgeted \$500 for miscellaneous and have already received \$268 which includes rebates we received from our new credit card company. There were no further questions on revenue.

On the expenditures, Harding stated, we are about where we should be with payroll and slightly over in the non-payroll because we make an insurance payment at the beginning of the year. We are currently underspent on building maintenance, and as noted previously, the debt service payment will not be happening this year. We will be making a small interest payment, of about \$400, Harding added. Harding explained we do not know how much of the \$30,000 for leasehold improvements we will be using, but we did earmark landscaping, replacement of front door (although we had it fixed instead) and changing out one of the HVAC systems. Harding noted we will see expenditures under the Woodmoke and CPO lines in the next quarter. It was noted we are at about 23% of our expenditure budget. (Neatherlin lost connection at 9:23 am)

Harding continued, going over the Fund Balance Sheet. We started the year with \$1,848,000 and 3 months later we are at \$2,205,000. The contingency reserve levels total come in at just under \$900,000 and our unrestricted balance is \$1,453,000.

Harding stated we have included our long-term liabilities at the bottom of the sheet. We currently owe \$44,273 on our building. We are looking forward to celebrating the pay off of our building. Also included, Harding continued, is the Department of Retirement pension liability. This reflects our share of the state retirement system. Harding explained we are subsidizing the PERS1 system. Pratt asked how many were still in the PERS1 system. Harding stated PERS1 ended in 1977.

There was nothing further for the committee.

The meeting adjourned at 9:29 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 October 13, 2021, in Olympia, Washington.

ATTEST:



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

Cynthia Pratt, Chair
ORCAA Finance Committee

DATED: January 12, 2022