

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

Finance Committee Meeting – via zoom

April 14, 2021

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

Members absent

Staff Present Fran McNair, Executive Director, Lynn Harding, Administrative Services
 Manager, Mark Goodin, Professional Engineer, and Debbie Moody, Office
 Manager and Recorder

The meeting was called to order at 9:02 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. Cooper moved approval of the Minutes, the motion was seconded and carried unanimously.

FINANCE REPORT

Third Quarter Fiscal Year 2021

Harding noted this report covers activity through the end of March 2021. With an annual budget of \$2.5 million, we have received \$2.2 million at this time. Harding wanted to highlight the NOC and Fines line items. It was noted we exceeded both line items due to receipt of an investigation fee and a large fine issued to Sierra Pacific Industries (SPI). McNair explained SPI is working on replacing their kilns and began construction prior to receiving their approved permit.

Harding continued noting the breakdown of revenues equate to 58% of our revenues is attributed to fees, 19% in grants (Ecology/EPA), 21% comes from our local assessments and 3% is the other items (rental/investments). Harding noted we are in line with where we were last year at this time. Harding noted we are fully rented at this time. Moving on to expenditures, Harding stated salary and benefits is on target and slightly under due to employment security department did not increase premiums and AWC was able to keep our medical/dental/life premiums much lower than we anticipated. Harding stated we are underspent in several categories of non-payroll, and based on workload and needs of the agency, we believe we will be underspent at year end as well. We are anticipating replacing the front door and flooring in our suite this year. Our woodstove fund is nearly spent, with Nelson having allocated all the funds remaining in our current contract. We may be getting additional funds before the end of this fiscal year. The Community Toxics program has ended, and Hadley published her paper. Total expenditures are at 71% of the budgeted amount. Harding briefly went over the fund balance noting we started with \$1.7 million and as of March 31, we are over \$2 million.

Annual Budget FY2022-Draft

Harding explained we are looking at a budget of \$2.6 million with \$183,000 to be used from our unreserved budget to balance. Harding went over the line items in revenue. Harding noted we decreased the investment income line due to the economic conditions and money markets, etc are

not paying what they used to. McNair added we are using a CPI of 1.4% for our fees. Cooper asked for a copy of the investment portfolio and discuss it at a future meeting. It was noted ORCAA is part of the Thurston County portfolio. Harding did note we are obligated to use Thurston County. Before moving on, Cooper wanted to add he is very interested in incorporating a permit fee for outdoor burning in Thurston County for this upcoming budget. He added, he did speak with Commissioner Mejia and noted he would only propose it if he had support from Thurston County.

Harding moved on to expenditures noting CPI of 1.4% was added to salaries and there was a slight increase applied to the AWC premiums. Our non-payroll remains about the same as the previous year, although we increased the line for professional services based on activity and history. We increased our office building operating budget slightly, adding some maintenance projects we hope to get done this upcoming year. Harding noted there was a breakdown at the bottom of the page to show how, if we have a surplus or deficit, we break it down and where it goes.

Cooper asked if this year was a review for the Director. McNair stated it was not, last year was a review, but she didn't get an increase due to the pandemic. She noted they stated they may potentially give an increase this year. Cooper asked if we were due for a salary survey. McNair noted it has been more than five years, but we were waiting for the end of the pandemic. Pratt asked, if we do a salary change for the Director, when do we need to finalize it. McNair stated, with the budget. Cooper requested comps be sent to the finance committee. Cooper asked how ORCAA is accommodating employees working at home with equipment, ergonomics support, etc. Do we need to set aside extra money for that or is everything already dealt with? McNair stated only 1 employee took equipment home, everyone else are using their own equipment and signing into our network. We hope to have everyone back to the office by July, McNair stated. Cooper noted we may need to discuss, at a later meeting, whether our office space needs changes in the new world.

Annual Budget FY2022 Fund Balance-Draft

Harding briefly went over the Fund balance sheet, noting we anticipate starting the year with \$1.8 million. After adding the revenue of \$2.3 million and subtracting expenditures of \$2.5 million, we hope to end June 2022 with \$1.6 million. We are looking at using \$183,000 of the unreserved general fund to balance the budget.

FY2022 Proposed Fee Schedule

McNair noted the per capita assessments have all been increased by 1.4%. McNair reminded the committee that they did not add a CPI to last years' assessment. Agricultural burning fees are not included in our proposed increase as the fee is set by Ecology. Land Clearing, Asbestos, Demolition and Registration were all increased by 1.4% across the board. For Notice of Construction we added the 1.4% and then we did adjust a couple of fees by the hours. Staff did a look at how many hours it takes to permit a particular piece of equipment and in some cases, we had underestimated, but there were a few places where we lowered the fee and hours. McNair went into detail on a few of the changes on the NOC fee page.

Cooper asked Neatherlin how he felt the counties were doing and whether we should consider suspending the assessment increase another year. Neatherlin stated Mason County is actually doing quite well. Cooper stated he felt the same about the city. McNair stated she hopes everyone is doing well because we hate to get too far behind. If you recall, these smaller increases were what the Board wanted.

ORCAA Building Expense – 5 Year Plan

Harding noted we provided this to the committee last year and it has been slightly updated since then. We have identified a few improvement items for the 2022 budget year. We would like to redo our parking lot, clean up the landscaping, repair or replace our front door and tile the front entrance, and repair of the faucet in the kitchen. Harding stated she has been getting a list together from the

small works roster to begin the bid process on the front door and entryway.

Pratt requested the page be set up in a different manner. It would be more helpful if the items were listed by the year they are going to be accomplished. There was some discussion as to the best way to show. Staff stated they would work on this change. Cooper asked to have a solar project included when we do the roof replacement. He also noted we need to have a conversation about moving away from gas when we replace the heat pump systems. Cooper noted it might be worth getting a bid to redesign the entire system, making it more efficient and climate friendly, rather than just replace the units.


Pratt asked if there was anything further. Cooper asked if the language in the documents can be gender neutral (man door shouldn't be a thing). He added it would be nice to go through our policies and By-Laws as well, making them gender neutral and inclusive. McNair stated she believes most of our documents are gender neutral, but we will look.

The meeting adjourned at 9:58 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 14, 2021, in Olympia, Washington.

ATTEST:


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

Cynthia Pratt, Chair
ORCAA Finance Committee

DATED: 5/12/2021