

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

**Finance Committee Meeting**

May 9, 2018

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

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. Cormier moved approval of the Minutes, the motion was seconded and carried unanimously.

**FINANCE REPORT**

Draft FY2019 Budget - updates

Harding explained we have a \$2.5 million budget for FY2019. Harding noted the management team met a number of times and went over the budget line-by-line and are comfortable with the proposed budget. We have the addition of a new grant, Community Toxics, at around \$287,000. We have also included the Woodstove Reduction grant at \$125,000, Harding continued. It was submitted, and we have word from Ecology it was received. The per capita assessment was increased by the CPI as per resolution.

Harding noted fees have been increased by 3% and we have applied an increase to our rental spaces as well. The budget shows we expect to use approximately \$163,000 of our reserves for FY19, while establishing a reserve for our AOP program at \$48,605. McNair added we still don't know what is happening with the Federal/State Core, however she noted we have decided to move forward with our budget, without including a reduction. McNair stated our Registration line does not include any marijuana facilities at this time.

Cooper asked what affect a \$5 fee, for outdoor burning, would have on the budget. McNair stated we had about 2000 permits in Thurston County this year. Cooper asked if there was time to include that in the budget. McNair explained we would have to add new fees via resolution. Cormier stated he would like to see this type of decision go to the full Board. Harding stated it would make more sense to do a workload analysis prior to adding a fee to a program. After some discussion, Cooper agreed we probably need a staff recommendation regarding open burning in Thurston County. McNair noted we can have staff look into outdoor burning options

and bring it back to the Board at a later time. Cooper felt this would be a good exercise for staff when burning is banned for the summer.

Harding moved on to expenditures, noting the biggest difference is the addition of our interns for the Community Toxics grant. Also, Harding noted, there is a 3% COLA for staff and a 4% increase in benefits (assuming a 2% eWell City reduction).

We have added a vehicle in the budget as we need to replace the Element. McNair added we are looking for a 4-wheel vehicle as Hadley uses it on logging roads in all kinds of weather. Cooper asked if we are buying new or used. McNair stated she has considered used, but we need low mileage and in excellent shape. Cooper asked if we had considered a lease to own option for vehicles. McNair stated we could investigate that option.

Harding went over a few line items under expenditures, noting we will be looking at replacing another one of our heating system units this upcoming year. Harding then briefly went over the fund balance sheet, noting we are adding to each of our reserve funds.

McNair explained we are adding funds to our database reserve and will begin exploring options. McNair stated NWCAA has worked with a contractor and assisted in developing a new database and have invited us to look at theirs and possibly purchase it for our use. McNair explained we will be looking to see if it is compatible, however we do have other local ahrs we can look at, as well as other database systems.

Pratt asked if there was a motion to recommend the budget be forwarded on to the Board for consideration. Cooper stated he would make that motion. The motion was seconded and carried unanimously.

McNair noted the new fee schedules are also attached to the Board. The NSR fees have been adjusted after staff did the workload analysis. McNair noted DeMay had gone over the fees at the previous meeting.

Cormier asked if the budget is attached to the fees. McNair stated the NSR fees, if forwarded by this committee, will be adopted per a resolution. Cormier moved to forward the proposed NSR fees to the full Board. The motion was seconded and carried.

### 5-Year Projections

Harding explained the management team met and went line by line over the 5-year projections. Harding pointed out our fund balance remains in the positive for the projection, however if you take into consideration the reserve accounts, 2021 we see a reduction in deficit mode. McNair noted in this projection 2018 shows the use of \$122,000 of the reserves when we will only be using \$24,000, which means \$100,000 will remain in the reserves. We have a very conservative projection, McNair stated. It was noted staff applied a 2% increase to fees across the projections.

Pratt asked if staff identified the category which causes the loss of funds, beginning in 2021. Harding explained the salary and benefits line is outpacing the CPI, meaning the cost of our benefits is based on 4%, whereas the CPI is typically lower than that. McNair pointed out this projection gives us a chance to look ahead and decide where adjustments may need to be made in future years, to remain in the positive.

Cormier asked if staff could provide an FTE history for the previous 10 years. Harding stated we could provide that document. McNair noted we are down 2 FTEs.

#### Building Payoff

McNair explained we had documentation stating we could pay off the building early, with no penalties. When Harding contacted the county to inquire what the payoff would be, they stated we were still responsible for the interest. McNair noted when the county refinanced the building, the final payment would be in 2022 and early payoff could occur in December of 2020 without additional interest. However, if we pay off before that date, we would be responsible for the interest up until December 2020.

McNair stated after thinking it over, staff thought it might be best to consider continue to pay on the building, saving our reserves, and use that money toward our database. Our reasoning is, McNair explained, if we must get a loan for our database, we are not going to be able to find one at 2%. We could consider paying the loan off in 2020, depending on the database status.

#### Finance Resolutions

McNair stated the committee had requested copies of our finance resolutions and they are attached. The committee thanked staff.


There was nothing further of the committee.

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 May 9, 2018, in Olympia, Washington.

ATTEST:

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

  
 Cynthia Pratt, Chair  
 ORCAA Finance Committee

DATED: 10/10/2018