

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

Finance Committee Meeting – via zoom

October 14, 2020

Members present Cynthia Pratt, City of Lacey (Chair)
 Jim Cooper, City of Olympia

Members absent Randy Neatherlin, Mason County
 Tye Menser, Thurston County

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

The meeting was called to order at 9:02 am.

There was some discussion regarding the fact that there are only 2 people in attendance. Cooper is a regular stand-in, but not an actual member. The Committee is made up of three Board members and there were no decisions to be made other than approval of the Minutes. McNair stated we would count Cooper as a member due to the fact he is Board Chair. It was again noted the committee is made up of 3 members therefore 2 is a quorum.

Pratt asked for approval of the Agenda. Cooper 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

First Quarter Fiscal Year 2021

Harding explained the first quarter ended September 30, 2020. We have collected 30% of our budgeted revenues and expended about 24% of the budget authority.

Harding briefly went over the Title V program, noting we bill early in the year and the sources have an option to pay all at once or quarterly – the majority do pay quarterly. Under our NOC (construction permits) we are well ahead budget-wise. Annual Registration is also billed early in the year and we have collected 90% and we have also collected additional fees in the first weeks of October. Assessments will be billed out in January, Harding stated. Our asbestos has slowed down a bit, but we are doing ok. Harding noted we have already collected 52% of our Fines for the year. We are on target with our rental income as well.

Harding stated as for expenditures we are on target with our Payroll. On non-payroll we are slightly higher, however that is due to the annual premium payment we prepay a year in advance. Our debt service payments are made twice a year, one in December and the second in June, Harding explained. We continue expending funds in the Community Toxics and the Woodstove buyback program. McNair did add we have spent \$15,000 on our attorneys already and it is largely due to an asbestos case. We did win and the violator should be paying us \$2500.

Harding moved on to the Fund Balance explaining we started the year with \$1,721,000 and brought in \$748,000, expending \$607,000 leaving us with an ending balance \$1,862,000 at the end of the first quarter. Harding reminded the committee of the contingency funds that have been set aside by

the Board. She also noted the deficit of \$56,000 in the Title V program. The contingency and capital funds amount to \$777,000 leaving us an unreserved balance of a little over a million dollars.

Cooper asked if the Title V reserve allowed to be negative. Harding explained it is a running, cumulative fund balance and it is taken into consideration when we determine the workload and the budget costs for the following year. That amount will be added into the fees charged to the sources in the next year. If there is an overage, it would reduce the fees we charge the sources.

Cooper asked why it is negative already. McNair noted we overspent in that program last year, due to several issues. Staff was trying to get through a backlog of permits and we had an audit. We spent more than we anticipated, McNair explained. Then, before the year was up, while developing the budget for this year, we had to determine how much to charge our sources in 2021 however we didn't expect the amount of work that has been expended so we undercharged. The funds will be recovered in 2022. Cooper asked if there is a required amount to be held in reserve. Harding explained we estimate the workload and revenue to support the workload and if the workload is higher due to unknown factors, the expenditures will be higher. Harding did explain we started 2020 with a positive \$41,000 in our Title V reserve and we used all those funds and some.

McNair did note we knew we were starting out a bit short, partly due to be sensitive to the sources. We didn't want to raise the fees to high in such a difficult year. Cooper did ask why the sources aren't just billed the fees as they are needed. Cooper asked if sources pay their own renewal costs. Harding stated they do not, the fees are divided up among the sources on an annual basis. Cooper asked if the fees are set by law, or can we have sources pay for their renewal. McNair thought the calculation of the fees are set by law.

There was discussion regarding which funds are Board approved and which are for staff to use without Board approval. It was noted the Title V funds and the Security Deposits need to be accessed by staff and do not need Board approval to use.


Cooper asked staff to send him the rules that govern Title V fees. Cooper wanted to know how the fees are allocated—is it Board policy, Federal Contract or some CFR. McNair stated we can also have staff come in and explain the program in a bit more detail. There was nothing further for the committee.

The meeting adjourned at 9:39 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 14, 2020, in Olympia, Washington.

ATTEST:


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

 Cynthia Pratt, Chair
 ORCAA Finance Committee

DATED: 4/14/2021