

ORCAA FY2024 Budget Amendment Summary

This budget amendment is for ORCAA's FY2024, which runs from July 1, 2023, through June 30, 2024. Staff are requesting a budget amendment to ORCAA's FY2024 budget previously approved by the Board of Directors on June 14, 2023. The following documents highlight and detail the budget amendment request. A budget amendment is being requested based on our forecast of expenditures through year-end that reveal a variance between budget appropriations and expenditure projections. The specific details are outlined below.

The budget amendment documents include:

- Agency Revenues, Expenditures and Appropriations from Contingency Reserves
- Fund Balance
- Updated agency organizational chart

FY2024 Budget Amendment Highlights:

- Budget Amendment of \$135,605.
- Increased revenue - NOC/NSR, Penalty, Core Grant, Interest Income.
- Combines Engineering Manager and Compliance Manager into one position.
- Includes two new positions: AQS and Financial Specialist, bringing ORCAA's FTE's to just over 19.
- Not drawing on the Administrative Contingency Reserve.

Summary of Revenue:

- Additional Revenues added to budget is \$201,145.
- Core grant revenue updated to reflect actual award from Ecology following approval of FY2024 budget by the Board of Directors; federal funding increased by \$8,180 and State funding decreased by \$2,876.
- Reducing ARP funding by \$2,159 as ORCAA expended at FY2023 year-end following approval of FY2024 budget.
- Notice of Construction (NOC) revenue is being increased by \$60,000. Engineering staff are dealing with several sources requiring additional time due to the complexity of their projects. We are also seeing an increase in permit applications from existing sources to expand and make improvements to their facilities.
- Increase in Penalty revenue of \$130,000.
- Increase in interest income is projected at \$8,000; Thurston County Treasurer's office invests ORCAA's daily balance which has seen a higher rate of return.

Summary of Expenses:

- Total expenses added to budget is \$135,605.
- Payroll expenditures covering salaries and benefits are estimated at \$97,784. Costs include the recently hired AQS position with a January 1st start date, the Financial Specialist and Compliance Manager positions with a scheduled hire date of February 1st, and the Engineer and Records Clerk positions with a hire date of March 1st, 2024. Following is the breakdown of payroll costs for each position through the end of the fiscal year (or June 30, 2024):
 - New AQS \$50,453 (6-mos)
 - New Financial Specialist \$43,924 (5-mos)
 - Compliance Manager \$81,188 (5-mos)
 - Engineer \$43,673 (4-mos)
 - Records Clerk \$29,925 (4-mos)
- Costs for reconfiguring ORCAA space, purchasing office furniture, including chairs for new staff, and new front office reception desk/counter. Increase of \$19,100.
- Minor increase for staff travels to conduct inspections, attend training, and increased gas costs. Increase of \$1,000.
- Hardware/Software purchases includes additional laptops for new staff, additional software licenses, peripheral devices, and one desktop printer. Increase of \$7,320.
- Staff training includes an increase of \$5,300 for new staff to attend essential training (e.g., Asbestos, Smoke School, Investigator training, Federal Grants, BARS, first aid and defensive driving).
- Telephone: adding costs of one cell phone for the new AQS position at \$360.
- Insurance: minor increase for adding new vehicle purchase and a slightly higher annual premium for liability, building, and property at \$440.
- Advertising: adding \$2,000 for costs of advertising various positions at multiple outlets including GovernmentJobs.com, AWC, WFOA, AWMA, etc.
- Utilities/Alarm Monitoring: the costs of our quarterly and annual monitoring have increased due to personnel costs and prevailing wages for these types of classified workers. Increase of \$2,000.
- Consistent with the ARP revenue summarized above, we're reducing the ARP funding and expenditures by \$2,159 as we paid out and received this amount in the prior fiscal year.
- OlyMAP Project: increased amount by \$2,460 because of the ending program balance consistent with MOU (unexpended funds).

Conclusion:

In summary, ORCAA is increasing revenue by \$201,145, and adding expenses of \$135,605. The increased revenue and net difference of \$65,540 will decrease the contingency fund draw used to balance the budget.

Summary:

| | |
|-----------------------|-------------------|
| Revenue | \$201,145 |
| Expenses | <u>-\$135,605</u> |
| Net Surplus (Deficit) | \$ 65,540 |

This amount will reduce the Contingency Draw from \$216,522 to \$150,982.

Contingency & Capital Funds:

Contingency Funds represent balances set aside for a specific project, or Board directed and authorized, or for emergencies.

Our General Fund Contingency set aside is equivalent to approximately two months of administrative and operational costs. This is calculated at a rate of 20% of expenditures not including the Title V program, which has its own contingency set aside.

| | Column 1 | Column 2 | Column 3 | Column 3a | Column 4 (Col 3 + Col 3a) |
|--|---------------------|---------------------|---------------------|-------------------------|------------------------------|
| | Actual FY 2022 | Actual FY 2023 | Approved | Amendment #1 FY 2024 | Amended Total |
| | 7/1/21-6/30/22 | 7/1/22-6/30/23 | 7/1/23-6/30/24 | | |
| REVENUE | | | | | |
| <u>Grants</u> | | | | | |
| Core-Federal | \$ 198,556 | \$ 216,032 | \$ 193,000 | \$ 8,180 | \$ 201,180 |
| Core-State | 139,985 | 153,249 | 137,000 | (2,876) | 134,124 |
| PM2.5 - Ecology Monitoring | 13,500 | 13,500 | 13,500 | - | 13,500 |
| CPO Project w/EPA-Maintenance & Operations | 76,748 | 95,060 | 90,462 | - | 90,462 |
| ARP Grant with EPA | - | 2,159 | 131,500 | (2,159) | 129,341 |
| Woodstove Reduction & Bounty Program w/Ecology | 58,019 | 148,006 | 140,000 | - | 140,000 |
| Woodstove Grant | 10,682 | 10,682 | 10,682 | - | 10,682 |
| <u>Fees</u> | | | | | |
| Assessments | \$ 464,353 | \$ 498,697 | \$ 533,771 | \$ - | \$ 533,771 |
| Annual Registration | 375,302 | 391,326 | 410,911 | - | 410,911 |
| Title V | 603,614 | 686,754 | 678,222 | - | 678,222 |
| NOC - NSR | 140,433 | 68,695 | 104,377 | 60,000 | 164,377 |
| NOI - Major/Minor | 2,912 | 5,239 | 3,500 | - | 3,500 |
| EFSEC | 26,019 | 44,250 | 57,283 | - | 57,283 |
| Ecology Oversight | 12,948 | 13,162 | 15,500 | - | 15,500 |
| Outdoor Burning | - | - | - | - | - |
| Asbestos | 138,637 | 142,394 | 139,000 | - | 139,000 |
| Land Clearing | 36,659 | 40,112 | 44,500 | - | 44,500 |
| <u>Other</u> | | | | | |
| Penalties (NOV) | \$ 217,550 | \$ 330,040 | \$ 185,000 | \$ 130,000 | \$ 315,000 |
| Interest Income | 13,146 | 32,649 | 20,256 | 8,000 | 28,256 |
| Miscellaneous Income | 1,882 | 2,061 | 2,200 | - | 2,200 |
| Building Income | 59,794 | 50,107 | 46,362 | - | 46,362 |
| Total Revenue before Contingency Draw(s) | \$ 2,590,739 | \$ 2,944,174 | \$ 2,957,026 | \$ 201,145 | \$ 3,158,171 |
| <u>Appropriation from Contingency Funds</u> | | | | | |
| General Fund Contingency Draw | \$ - | \$ - | \$ 216,522 | \$ (65,540) | \$ 150,982 |
| TOTAL REVENUE & CONTINGENCY | \$ 2,590,739 | \$ 2,944,174 | \$ 3,173,548 | \$ 135,605 | \$ 3,309,153 |
| General Fund Contingency Draw | \$ - | \$ - | \$ 216,522 | \$ (65,540) | \$ 150,982 |
| Title V Contingency Build & General Fund Reimbursement | \$ 35,320 | \$ 109,445 | \$ 46,527 | \$ - | \$ 46,527 |
| Actual Revenue | \$ 2,590,739 | \$ 2,944,174 | \$ 2,957,026 | \$ 201,145 | \$ 3,158,171 |
| Actual Expenses | \$ 2,412,940 | \$ 2,944,174 | \$ 3,127,021 | \$ 135,605 | \$ 3,262,626 |

| | Column 1 | Column 2 | Column 3 | Column 3a | Column 4 (Col 3 + Col 3a) |
|---|---------------------|---------------------|---------------------|-------------------------|------------------------------|
| | Actual FY 2022 | Actual FY 2023 | Approved | Amendment #1 FY 2024 | Amended Total |
| | 7/1/21-6/30/22 | 7/1/22-6/30/23 | 7/1/23-6/30/24 | | |
| EXPENSES | | | | | |
| <u>Payroll</u> | | | | | |
| Salaries | \$ 1,612,198 | \$ 1,667,200 | \$ 1,838,036 | \$ 68,775 | \$ 1,906,811 |
| Employee Benefits | 499,282 | 535,979 | 608,529 | 29,009 | 637,538 |
| Total Payroll | \$ 2,111,480 | \$ 2,203,179 | \$ 2,446,565 | \$ 97,784 | \$ 2,544,349 |
| <u>Non-Payroll</u> | | | | | |
| Office Supplies/Sm Supplies/Safety | \$ 8,448 | \$ 10,512 | \$ 21,567 | \$ 19,100 | \$ 40,667 |
| Gasoline Vehicles | 4,391 | 5,997 | 6,200 | 1,000 | 7,200 |
| Computer Hard/Soft./Supplies: | | | | | |
| -General HW/SW | 23,204 | 28,199 | 22,619 | 7,320 | 29,939 |
| -GovQA | - | - | - | - | - |
| -KnowBe4, Inc. | - | - | - | - | - |
| Board of Directors Travel Reimb. | - | 132 | - | - | - |
| Staff Training, Conferences, Travel | 5,675 | 18,263 | 20,868 | 5,300 | 26,168 |
| Professional Services: | | | | | |
| -Legal (Attorney) | 49,296 | 52,133 | 76,000 | - | 76,000 |
| -Process Services | - | - | - | - | - |
| -Salary Survey/Ad-Hoc Support | - | - | - | - | - |
| -HR/Ad-Hoc Support | - | - | - | - | - |
| -Strategic Plan Update | - | - | - | - | - |
| Telephone | 12,480 | 12,983 | 17,000 | 360 | 17,360 |
| Database | - | - | - | - | - |
| Postage | 4,833 | 5,756 | 6,200 | - | 6,200 |
| Insurance (Bldg, Veh, Staff) | 35,872 | 39,264 | 40,835 | 440 | 41,275 |
| Wellness Program | 437 | 338 | 500 | - | 500 |
| Public Education and Outreach: | | | | | |
| -Education & Outreach (Printing, special mailings, etc) | 8,816 | 49,060 | 21,790 | 2,000 | 23,790 |
| -Website Maintenance | - | - | 2,250 | - | 2,250 |
| Miscellaneous | 301 | 226 | 550 | - | 550 |
| Dues & Subscriptions | 3,842 | 3,984 | 5,332 | - | 5,332 |
| Audit/Acctg | 6,599 | 17,049 | 2,500 | - | 2,500 |
| Placeholder | - | - | - | - | - |
| Rent-Satellite Office | 800 | - | - | - | - |
| Maintenance - Copier / Purchase | 10,947 | 2,030 | 2,400 | - | 2,400 |
| Vehicle Purchase | - | - | 31,000 | - | 31,000 |
| Maintenance - Vehicles | 2,333 | 6,031 | 5,200 | - | 5,200 |
| Total Non-Payroll | \$ 178,274 | \$ 251,957 | \$ 282,811 | \$ 35,520 | \$ 318,331 |
| <u>Building Operations/Maintenance</u> | | | | | |
| Interest Expense & Principal - Office Bldg. | \$ 330 | \$ 43,964 | \$ - | \$ - | \$ - |
| Utilities/Alarm Monitoring | 18,038 | 17,983 | 19,000 | 2,000 | 21,000 |
| Janitorial Supplies | 11,643 | 12,290 | 14,111 | - | 14,111 |
| Maintenance Office Bldg. | 9,220 | 30,923 | 17,050 | - | 17,050 |
| Landscaping Services | - | - | - | - | - |
| Leasehold Improvements | - | 10,573 | 52,000 | - | 52,000 |
| Total Building Operations/Maintenance | \$ 39,231 | \$ 115,733 | \$ 102,161 | \$ 2,000 | \$ 104,161 |
| <u>Program Operations</u> | | | | | |
| Woodsmoke Reduction/Recycle Program | \$ 41,550 | \$ 121,500 | \$ 105,000 | \$ - | \$ 105,000 |
| ARP - EPA - Operational | - | 2,159 | 131,500 | (2,159) | 129,341 |
| Ecology Oversight Fees | 12,948 | 13,162 | 15,500 | - | 15,500 |
| Monitoring Program - CPO | 26,960 | 29,933 | 35,000 | - | 35,000 |
| Monitoring Programs | 2,192 | 4,833 | 6,484 | - | 6,484 |
| OlyMAP Project | - | 1,540 | 2,000 | 2,460 | 4,460 |
| Security Deposit Refunds | 305 | 1,701 | - | - | - |
| Total Program Operations | \$ 83,955 | \$ 174,828 | \$ 295,484 | \$ 301 | \$ 295,785 |
| TOTAL EXPENDITURES | \$ 2,412,940 | \$ 2,745,697 | \$ 3,127,021 | \$ 135,605 | \$ 3,262,626 |
| Net Surplus (Deficit) w/Title V | \$ 177,799 | \$ 198,477 | \$ (169,995) | \$ 65,540 | \$ (104,455) |
| <u>Breakdown of Net Surplus (Deficit):</u> | | | | | |
| FY 2022 | | FY 2023 | FY 2024 | | |
| Net Surplus (Deficit) to General Fund FY2022 | \$ 142,479 | | | | |
| Net Surplus (Deficit) to General Fund FY2023 | | \$ 136,195 | | | |
| Net Surplus (Deficit) to General Fund FY2024 | | | \$ (216,522) | \$ 65,540 | \$ (150,982) |
| Net Surplus (Deficit) to Title V Contingency FY2022 & Payback | \$ 35,320 | | | | |
| Net Surplus (Deficit) to Title V Contingency FY2023 & Payback | | \$ 62,283 | | | |
| Net Surplus (Deficit) to Title V Contingency FY2024 & Payback | | | \$ 46,527 | \$ - | \$ 46,527 |
| | \$ 177,799 | \$ 198,478 | \$ (169,995) | \$ 65,540 | \$ (104,455) |

Olympic Region Clean Air Agency
 FUND BALANCE
 For The Period Ending ...

| | |
|---------------------|------------------------------|
| Amendment #1-FY2024 | Proposed Draft: 1/10/2024 |
|---------------------|------------------------------|

| | Actual FY 2022 General Fund July 1, 2021 | Actual FY 2023 General Fund July 1, 2022 | Approved FY2024 General Fund July 1, 2023 | Amendment #1 FY2024 Additions | Amended Total FY2024 Amended July 1, 2023 |
|--|--|---|---|-------------------------------------|---|
| BEGINNING Fund Balance | \$ 1,848,692 | \$ 2,026,491 | \$ 2,224,969 | \$ - | \$ 2,224,969 |
| Plus: Revenue Fiscal Year | \$ 2,590,739 | \$ 2,944,173 | \$ 2,957,026 | \$ 201,145 | \$ 3,158,171 |
| Less: Expenditures Fiscal Year | \$ (2,412,940) | \$ (2,745,695) | \$ (3,127,021) | \$ (135,605) | \$ (3,262,626) |
| ENDING Fund Balance 06/30/20xx | \$ 2,026,491 | \$ 2,224,969 | \$ 2,054,974 | \$ 65,540 | \$ 2,120,514 |
| Year End | 6/30/2022 | 6/30/2023 | 6/30/2024 | | |
| General Fund Contingency Draw applied to FY Budget | \$0.00 | \$0.00 | \$ 216,522 | \$ (65,540) | \$ 150,982 |
| Fund Balances (Fiscal Year-End): | | | | | |
| Contingency & Capital Funds | | | | | |
| <i>Classifications:</i> | Less: Expense Contingency (20% FY Budget less Title V Exps) | | | | |
| <i>Committed</i> | \$ 368,929 | \$ 424,245 | \$ 488,438 | \$ 27,121 | \$ 515,559 |
| <i>Restricted</i> | Less: Title V Contingency | | | | |
| <i>Assigned</i> | See Below | See Below | \$ 30,000 | \$ (30,000) | \$ - |
| | \$ 5,600 | \$ 4,350 | \$ 4,350 | \$ - | \$ 4,350 |
| Capital Funds | | | | | |
| <i>Committed</i> | Less for Office Building | | | | |
| | \$ 90,000 | \$ 120,000 | \$ 120,000 | \$ - | \$ 120,000 |
| <i>Committed</i> | Less for Monitoring Equipment | | | | |
| | \$ 20,000 | \$ 20,000 | \$ 20,000 | \$ - | \$ 20,000 |
| <i>Committed</i> | Less for Database/Equipment | | | | |
| | \$ 180,000 | \$ 215,000 | \$ 250,000 | \$ - | \$ 250,000 |
| <i>Unassigned</i> | Less for Vacation/Sick Leave | | | | |
| | \$ 136,453 | \$ 155,951 | \$ 120,000 | \$ - | \$ 120,000 |
| Committed/Restricted/Designated Funds | \$ 800,982 | \$ 939,546 | \$ 1,032,788 | \$ (2,879) | \$ 1,029,909 |
| <u>Contingency Fund</u> | | | | | |
| Title V Program (due General Fund) | \$ (109,019) | \$ (46,738) | \$ - | \$ - | \$ - |
| UNDESIGNATED Fund Balance | \$ 1,334,528 | \$ 1,332,161 | \$ 1,022,186 | \$ 68,419 | \$ 1,090,605 |
| Year End | 6/30/2022 | 6/30/2023 | 6/30/2024 | | |

ORCAA Long Term Liabilities...

-Office Building, Promissory Note paid 12/1/2022
 Interest rate .703%, no penalty early payoff

| | |
|-----------------|-----------------|
| Balance 6/30/22 | Balance 6/30/23 |
| \$43,954 | \$0 |

"Operating Contingency Funds" defined

An amount established by board direction and placed in reserve
 Revised Res #269 dated May 2016 with 20% reserve less Title V. (Formerly:
 Resolution #178 dated August 1999 refers to board direction to maintain a 25%
 reserve level annually.)

"Capital Funds" defined

An amount established by board direction to save for long-term capital
 expenditures (bldg, equipment, database). Res. #251 dated 06/13/12; Res. #260
 dated 11/12/14

"Fund Balance" defined

*Funds that are held in our bank account with Thurston County Treasurer's
 Office. ORCAA has one fund with Thurston County and is referred to as the
 "General Fund".

*The total Fund Balance includes all funds on deposit at the bank.

Olympic Region Clean Air Agency

