

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

Finance Committee Meeting – Hybrid via Zoom
April 10, 2024

A video recording of this meeting is available at:

<https://www.youtube.com/ORCAA>

Files discussed at this meeting are available at:

<http://board.orcaa.org/>

Members Present: Greg Brotherton, Jefferson County (Chair)
Jim Cooper, City of Olympia
Randy Neatherlin, Mason County

Members Absent:

Legal Counsel:

Staff Present: Jeff Johnston, Executive Director; Lynn Harding, Financial Services Manager;
Mike Shults, Compliance Manager; Dan Nelson, Communications Manager,
Debbie Moody, Office Manager/Public Records Manager

The meeting was called to order at 9:07 am.

APPROVAL OF AGENDA (:13)

Brotherton asked for approval of the agenda. Neatherlin moved approval and the motion carried unanimously.

APPROVAL OF MINUTES (:27)

Brotherton asked for approval of the Minutes. There was a modification to members absent and Cooper moved approval, motion was seconded and carried unanimously.

NEW BUSINESS

Fiscal Year 2024 – Third Quarterly Report (:57)

Harding noted we are covering 9 months of our fiscal year and noted we have received \$4.8 million, with much of that from penalties. Harding reviewed several line items in the Revenue section of the financial report.

Johnston noted the receipt of the Crown settlement is why the revenue number is so large. The Crown settlement was by far the largest of our recent settlements, but there have been a few other relatively large ones this year. Our goal is always to work with our sources to stay in compliance with their permits, so we do not need to assess penalties against them. Shults gave a brief background on a few of the issues a source had which had resulted in the large fines.

Harding continued going over several line items for expenditures. We are at about 69% of our expenditures and 75% of the way through the fiscal year. Harding also briefly went over the fund balance, noting our budget is doing well.

There was some discussion regarding the investment pool and if we should look into other options. Johnston's final note was his recommendation is to stay with Thurston County's investment pool, but we will investigate other options for the Board to consider.

Fiscal Year 2025 – Draft Budget (21:10)

Harding explained the draft budget includes some additional information to assist in the understanding of the budget in its entirety. Harding noted we used a CPI of 3.5% for salaries and fees and went over the highlights of the budget in both revenue and expenditures.

Neatherlin noted that given what's happening with insurance rates right now, he would support an increase of \$5,000 for insurance beyond the proposed increases for FY2025 and FY2026. Cooper wanted to discuss the proposal to increase the Expense Contingency from 20% to 30%, wondering how we can sustain the larger set-aside. Harding went over the fund balance to explain what the change would include. Cooper asked how we would sustain the \$400K proposed draw on contingency funds. Johnston explained that in the next year we will look carefully at our fee programs to ensure that these programs are paying for themselves. The large contingency draw in the proposed FY2025 budget is also a function of ongoing succession planning. Johnston noted we will continue to monitor our budget to ensure we can sustain our budget. Cooper noted he understood and agreed with the philosophy.

Johnston noted we have drafted a resolution to clarify how the agency uses penalties and settlements. Brotherton asked if this was for all penalties or just the very large ones. Johnston noted it would be for all penalties. Cooper asked if this would be another contingency fund. Harding noted it would be. Neatherlin noted he agreed with the resolution and appreciates that it will deter future boards from using the penalties as a windfall. No decision was made at this time.

Brotherton asked for timeline. Harding noted if the committee was good with the minor changes as requested, we would then bring the draft to the full Board in May.

Neatherlin asked if we would be looking for grants for EV chargers. Johnston stated we will most certainly be looking at grants.

There nothing further for the committee.

ADJOURNMENT (51:25)

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 hybrid, via Zoom, on April 10, 2024, in Olympia, Washington.

ATTEST:



Jeff C. Johnston, Executive Director
Olympic Region Clean Air Agency

Greg Brotherton, Chair
ORCAA Finance Committee

DATED: 5/8/2024