



Eastern Kern

Air Pollution Control District

Glen E. Stephens, P.E.
Air Pollution Control Officer

August 4, 2022

Board of Directors
Eastern Kern APCD
2700 "M" Street, Suite 302
Bakersfield, California 93301

SUBJECT: Hearing to Present and Receive Comments on Eastern Kern Air Pollution Control District's Proposed Fiscal Year 2022-2023 Budget

Honorable Board:

Section 40131 of the California Health and Safety Code requires each air pollution control district to hold an initial public hearing at which its proposed budget for the next fiscal year is presented for discussion. The second hearing at which the final budget is considered for adoption is scheduled to be held at the September 1, 2022 Governing Board Meeting.

Requirements

At least thirty days before the first hearing, the Eastern Kern Air Pollution Control District (District) must make a summary of its proposed budget available for public examination, and the District must notify each person, upon whom a fee was imposed the preceding year, of the availability of the proposed budget summary and the hearing date.

The District Staff fulfilled these mandates with the following actions:

1. Fiscal Year (FY) 2022/23 Budget was publically noticed in The Bakersfield Californian on June 16, 2022, The Tehachapi News on June 15, 2022, The Daily Independent on June 15, 2022, and in the Mojave Desert News on June 16, 2022;
2. Proposed FY 2022/23 Budget was made available on our website (www.kernair.org) and at our Bakersfield office since June 8, 2022;
3. A written notice was sent to each person having paid a permit fee in FY 2021/22; and
4. Also, public notice sent to newspapers circulated in Eastern Kern, served to notify persons who paid a DMV registration fee surcharge during FY 2021/22.

Proposed Budget

Included in your packet is a copy of District's Proposed FY 2022-2023 Budget in three parts:

1. Organizational chart (Page 2);
2. Department functional statement (Page 3);
3. Breakdown of Budget;
 - a. Budget unit financing summary comparing last year's budget to this year (Page 5);
 - b. Budget unit financing analysis comparing last year's budget to this year (Pages 6 – 7);
 - c. List of definitions for terms used in budget unit 9149 (Pages 8 – 9); and
 - d. Expense keys 7500 and 7545 (professional and specialized services) (Pages 10 – 11).

Budget Narrative Summary

District Staff has prepared the Proposed Budget for FY 2022-2023. Please note, there is no direct cost to the County of Kern or the three incorporated cities in the District from this proposed budget.

The Proposed FY 2022/23 Budget has recommended expenditures of \$5,612,500. There is a proposed expenditure decrease of \$291,775 (-5.2%) for all budget expenses in this Proposed FY 2022/23 Budget from the previous year Budget. Forecast expenditures for Non-District operations (Account 7545, Professional & Specialized Services for Contracts {PSS Contracts}) are \$3,226,950 (57.6% of the proposed budget). This is an \$120,610 decrease for this pass-through account. This account is used to fund special projects for other entities and comes from three different grant funding sources. These funding sources are: motor vehicle registration fee surcharge collected by the Department of Motor Vehicles (DMV), the Carl Moyer Program funds distributed to the District by the California Air Resources Board (CARB) and Cap-and-Trade Funds distributed to the District from CARB.

The Proposed Budget for actual District operations, salaries and benefits is \$1,804,887 (30.6 % of budget). The District operations budget represents a proposed \$208,987 increase in District operational cost. Additional Staff (Staff increased from 10 to 11) and anticipated salary increases are the main sources of the cost increase.

Reserves

The FY 2021/22 Budget includes a reduction of \$28,774 to the General Reserve. District Staff proposed a decrease of \$395,391. Increased number of solar power generating facilities and an unutilized \$20,000 contingency account for the bulk of the budget surplus. Based on the budget calculations, FY 2022/23 budget will reduce the General Reserve by \$395,391. Current General Reserve is slightly above \$2.6-million. The proposed budget is will reduce the General Reserve by approximately 15%.

IT IS RECOMMENDED your Board open hearing; receive public comment; close hearing and direct staff to consider all comments received in preparation of its final Proposed Fiscal Year 2022-2023 Budget for Board consideration at the September 2022 Governing Board Meeting.

Sincerely,



Glen E. Stephens, P.E.
Air Pollution Control Officer

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Enclosure