



Eastern Kern

Air Pollution Control District

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

September 1, 2022

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

SUBJECT: Hearing to Consider Adoption of the Eastern Kern Air Pollution Control District's
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 initial hearing was held on August 4, 2022. This is the second hearing where the final budget is considered for adoption.

Proposed Budget

Included in your packet is a copy of District's Final Fiscal Year (FY) 2022-2023 Budget. This document consists of three parts:

Breakdown of Budget;

- a. Budget unit financing summary comparing last year's budget to this year (Page 4);
- b. Budget unit financing analysis comparing last year's budget to this year (Pages 5 – 6); and
- c. Expense keys 7500 and 7545 (professional and specialized services) (Pages 9 – 10).

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. The proposed budget has decreased by \$291,755 (5.2%) when compared to the prior year's budget. Forecast expenditures for Non-District operations (Account 7545, Professional & Specialized Services for Contracts {PSS Contracts}) are \$3,004,550 (53.5% of the proposed budget). There is a \$120,910 decrease for this pass-through account. This account is used to fund special projects for other entities and comes from three different grant 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 by CARB.

The Proposed Budget for actual District operations, salaries and benefits is \$1,842,800 (32.8 % of budget). Proposed District cost for operations, salaries and benefits are to increase by \$37,912. Additional staffing, from 10 to 11 employees, is the cause of the minimal cost increase.

Additional Items

Based on comments received from the District Board of Directors, District Staff will utilize \$200,000 of District funds to analyze and propose effective methods to reduce dust emission in the District. Also, District Staff has reserved \$200,000 in District funds to assist residences in the District jurisdiction with road paving projects.

Reserves

The FY 2021/22 Budget includes a decrease of \$28,774 to the General Reserve. District Staff is proposing a \$321,550 reduction to the General Reserve for the FY 2022/23 budget. The current General Reserve is approximately \$2.7-million. As proposed, the FY 2022/23 budget will decrease the General Reserve to approximately \$2.3-million.

IT IS RECOMMENDED your Board open hearing; receive public comment; close hearing and adopt the Budget for Fiscal Year 2022/2023.

Sincerely,

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

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Attachment