



Eastern Kern

Air Pollution Control District

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

September 14, 2017

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

SUBJECT: Hearing to Consider Adoption of Eastern Kern Air Pollution Control District's
Fiscal Year 2017-2018 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. On July 27, 2017 the initial hearing was held. This second hearing is where the final budget is considered for adoption.

Proposed Budget

Included in your packet is a copy of District's Final Fiscal Year (FY) 2017-2018 Budget. This document consists of three parts:

Breakdown of Budget:

- a. Budget unit financing summary comparing last year's budget to this year (Page 3);
- b. Budget unit financing analysis comparing last year's budget to this year (Pages 4 – 5);
and
- c. Expense keys 7500 and 7545 (professional and specialized services) (Pages 6 – 7).

Budget Narrative Summary

The District has prepared the Proposed Budget for FY 2017/18. 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 2017/18 Budget has recommended expenditures of \$3,230,800. There is a proposed expenditure decrease of \$8,900 (0.3%) for all budget expenses in this Proposed FY 2017/18 Budget from the approved FY 2016/17 Budget. Forecast expenditures for Non-District operations (Account 7545, Professional & Specialized Services for Contracts {PSS Contracts}) are \$1,056,800 (32.7% of the proposed budget). This is an \$89,500 decrease for this pass-through account. This account is used to fund special projects for other entities and comes from two different grant funding sources. These funding sources are the surcharge on motor vehicles collected by the Department of Motor Vehicles (DMV) and the Carl Moyer Program funds distributed to the District by the California Air Resources Board (ARB).

The Proposed Budget for actual District operations, salaries and benefits is \$1,449,100 (44.9 % of budget). This represents a proposed \$136,300 increase in District operational cost. The proposed staffing level at 10 full time positions in the FY 2017/18 Budget, is equal to the positions authorized in the FY 2016/17 Budget.

Additional Items

Based on comments received from the District Board of Directors, District Staff will utilize \$25,000 of District funds to analyze and propose effective methods to reduce dust emission in the Cantil Area. Also, District Staff has reserved \$100,000 in District funds to assist residences in the District jurisdiction with road paving projects, with the assistance of the Kern County Roads Department.

Reserves

The FY 2017/18 Budget includes an allocation of \$161,319 to the General Reserve. An un-utilized contingency, increased Permit processing revenue in FY 2016/17, and uncompleted projects (to be finished FY2017/18) generated the bulk of the Budget surplus. Based on the above preliminary estimates, FY 2017/18 budget will include a \$106,200 Budget deficit; therefore, between FY 2016/17 and FY 2017/18, there is a budget surplus of \$55,199.

IT IS RECOMMENDED your Board open hearing; receive public comment; close hearing and adopt the Budget for Fiscal Year 2017/18.

Sincerely,

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

GES:lr
Attachment