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# Eastern Kern

## Air Pollution Control District

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Gary Ray, Jr.  
Air Pollution Control Officer

July 25, 2024

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 2024-2025 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 for the September 5, 2024 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 the proposed budget available for public examination and notify those for whom a fee was imposed the preceding year of the proposed budget availability and the hearing date.

The District fulfilled these mandates with the following actions:

1. Public notice was given to the community and permit fee holders on the Fiscal Year (FY) 2024/25 Budget through a published announcement in The Bakersfield Californian, The Tehachapi News, Daily Independent, Rosamond Weekly News, The Kern Valley Sun, and The Mojave Desert News.
2. And the Proposed FY 2024/25 Budget was also made available on our website ([www.kernair.org](http://www.kernair.org)) and at our Bakersfield office.

### Proposed Budget

Included in your packet is a copy of the District's Proposed FY 2024/25 Budget in three parts:

1. Organizational chart (Page 2).
2. Department functional statement (Page 3).
3. Breakdown of Budget (as of April 30, 2024).
  - a. Budget unit financing summary comparing last year's budget to this year's (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)
  - d. Expense keys 7500 and 7545 (professional and specialized services) (Pages 10 – 11).

Budget Narrative Summary

The District Staff has prepared the Proposed Budget for FY 2024/25. 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 2024/25 Budget has recommended expenditures of \$5,187,400. The Proposed FY 2024/25 Budget has an overall expenditure decrease of \$1,420,000, or 21.5%, compared to the previous fiscal year's budget. Forecast expenditures for Non-District operations (Account 7545, Professional & Specialized Services for Contracts) are \$2,687,000 or 51.8% of the proposed budget. The Non-District expenditures are budgeted at a decrease of \$1,031,500 compared to the prior fiscal year's budget. The Non-District account is a pass-through account 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.

Salaries and Benefits is \$1,813,200, or 35.3 % of the total Proposed Budget. The District's Salaries and Benefits are budgeted with a decreased operation cost of \$381,500 compared to the prior fiscal year's budget. Salary payouts due to retirements, which were expected and budgeted for in FY 2023/24, are not expected for FY 2024/25 and account for the decrease in cost. The District is also aware the County is negotiating with unions representing County employees. The full fiscal impact of the negotiations is unknown at this time, but the District believes the budget will be able to absorb the possible Salary and Benefits increases.

Reserves

For the FY 2024/2025 Budget, the District is proposing cost to exceed revenue by \$5,900. Budgeting conservatively for revenue and increases in Salary and Benefits are the reasons for the net funding shortage. Currently, the General Reserve is approximately \$2 million. The proposed budget will reduce the General Reserve by less than 1%.

**IT IS RECOMMENDED** your Board open the budget hearing, receive public comments, close the hearing, and direct staff to consider all comments received in preparation for the final Proposed Fiscal Year 2024-2025 Budget for Board consideration at the September 2024 Governing Board Meeting.

Sincerely,



Gary Ray, Jr.  
Air Pollution Control Officer

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Enclosure: Proposed FY 2024-2025 Budget