



Eastern Kern

Air Pollution Control District

Gary Ray, Jr.
Air Pollution Control Officer

September 5, 2024

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 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 initial hearing was held on July 25, 2024. This is the second hearing where the final budget is considered for adoption.

Proposed Budget

Your packet includes a copy of the District's Recommended Fiscal Year (FY) 2024-2025 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).
- c. Expense keys 7500 and 7545 (professional and specialized services) (Pages 8 – 9).

Budget Narrative Summary

District Staff has prepared the Recommended Budget for FY 2024-2025. Please note, there is no direct cost to the County of Kern or the three incorporated cities in the District from the Recommended Budget.

The Recommended FY 2024-2025 Budget has expenditures of \$5,187,400. The Recommended Budget has decreased by \$1,420,00, or 21.5%, compared to the prior year's budget. Forecasted expenditures for Non-District operations (Account 7545, Professional & Specialized Services for Contracts) are \$2,687,000 or 51.8% of the Recommended Budget. There is a \$1,031,500 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 fees (a surcharge collected by the Department of Motor Vehicles), 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.

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Recommended Budget FY 2024-2025

September 5, 2024

Page 2

Salaries and Benefits is \$1,841,200, or 35.5 % of the Recommended Budget. The District's Salaries and Benefits are budgeted with a decreased operation cost of \$371,500 compared to the prior fiscal year's budget. Salary payouts due to retirements, which were expected and budgeted for in FY 2023-2024, are not expected for FY 2024-2025 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.

Additional Items

District Staff has reserved \$150,000 in District funds to assist residences in the District's jurisdiction with road paving projects.

Reserves

For the FY 2024-2025 Budget, the District recommends a neutral budget in which cost equals revenue. Currently, the General Reserve is approximately \$2.8 million. The Recommended Budget will maintain it at its current level.

IT IS RECOMMENDED your Board open hearing; receive public comment; close hearing and adopt the Recommended Budget for Fiscal Year 2024-2025.

Sincerely,

Gary Ray, Jr.
Air Pollution Control Officer

GR: BG