



VENTURA COUNTY AIR POLLUTION CONTROL BOARD
Standing Committee Regular Meeting
April 12, 2022
Meeting Summary

1. Chair Matt LaVere convened the meeting at approximately 2:13 p.m. Vice Chair Lynn Edmonds, Supervisor Carmen Ramirez, and Mayor Rich Rollins, were present. Also present were Shawn Atin, CEO-HR, and Jaclyn Smith, County Counsel; and Ali Ghasemi, Nancy Mendoza, Juli Cromer, Natalie Kreymer, and Carolina Guerra of APCD staff.
2. There were no public comments.
3. The approval of the March 8, 2022 Meeting Summary was moved by Mayor Rollins, seconded by Vice Chair Edmonds, received and filed.
4. The Interim Air Pollution Control Officer, Ali Ghasemi, reviewed the proposed budget for FY2022-2023, comprised of the Operating Budget Fund O700 and Pass-through Grants Budget Fund O701. The District's primary objective is to make sure that operational needs are covered, property improvements are completed, operational efficiency is improved through modernization, and fund balances are maintained at desired target levels. Mr. Ghasemi explained that the District is made up of seven divisions (Fiscal/Administration, Information Systems, Monitoring, Compliance, Engineering, Planning/Rules/Incentives, and County Support Services) and described their functions.

Mr. Ghasemi presented a consolidated budget summary: proposed appropriations for the Operating fund are \$8.7 million, estimated revenues are \$8 million, and the net District cost is \$777,320; proposed appropriations for the Pass-through Grants fund are \$9.6 million, estimated revenues are \$9.6 million, and the net District cost is \$0. At this time, the District has a staff of 47 full-time equivalents and 3 student workers. A few important points about the pass-through grants are that all money that comes in needs to be disbursed and there are three full-time staff, plus the support of Fiscal/Administrative staff, to manage this program. The incentive programs that the District has in place are: Carl Moyer, \$4 Department of Motor Vehicle (DMV) Fees, Community Air Protection (CAP), Funding Agricultural Replacement Measures for Emission Reductions (FARMER), and Vessel Speed Reduction (VSR), which is being funded by Environmental Protection Agency Grant 105.

The total net cost of the Operating budget is \$777,320, which includes \$300,000 for Contingency, \$90,000 for Property Improvements, and an operating net cost of \$387,320. The operating net cost is necessary for operational efficiency and includes one-time or infrequent expenditures such as fleet vehicles and outdated program equipment, programming fees to update/upgrade District software applications, and redesigning of the District website. In comparing the FY2022-2023 Proposed Expenditures vs. the FY2021-2022 Adopted Budget, there is a total increase of \$51,080. Salaries and employee benefits are up by \$264,400, services and supplies

are up by \$44,630, and fixed assets are down by \$257,950.

In addition, the District has set aside \$55,000 of DMV funds for Ventura County Transportation Commission County-wide Traffic Modeling and Ride-Share programs and \$25,000 of DMV funds to support electric vehicle charging structure or any transportation incentive program. Funds not used for this program would need to be passed through.

The breakdown of proposed budget appropriations for Fund O700 are as follows: Salaries and Benefits 76.80%, Services and Supplies 17.62%, and Fixed Assets 5.58%. In comparing the FY2022-2023 Proposed Revenue vs. the FY2021-2022 Adopted Budget, there is a total increase of \$284,610 due to increases in prior year new permits, asbestos permits, and the CPI adjustment.

The breakdown of proposed operating revenues for FY2022-2023 are as follows: DMV Fees 39.12%, Permits 32.62%, Federal Grants 14.25%, Miscellaneous Income 5.80%, Other Fees 4.07%, State Subvention 2.50%, and Fines 1.64%.

The big picture is that stationary permit fees do not quite cover the cost of the permit programs. Revenue from DMV fees is stable, but the District can only utilize that incentive money for mobile sources. Like other organizations, we have to continue replacing old and outdated program equipment, but they are very cognizant of using all of our equipment to it's full, useful life. The incentive programs are very successful and are not only going to help the environment, but also the economy and local businesses. There are administrative fees associated with handling these incentive programs that are being utilized to cover the cost. The District is continuing to pursue operational efficiency improvements in order to reduce its costs, which is a benefit to their clients and customers. There are still some remaining property improvements that need to be completed for the new building. Rental income from the new building is going to help offset some of the cost. It is likely that there will be an additional \$80,000 to \$100,000 in fines from Enforcement activities. There will be an impact to the budget due to employee retirements as well. The good news is that the District's fund balance is sufficient to cover the estimated net cost.

There are currently 47 full-time equivalents with two openings for managers in the Monitoring and Engineering divisions.

The Fund Balance Provision for FY2023 is at \$8,702,410. Staff's proposed allocations of the fund balance to it's components is according to governmental accounting standards. Zero funds were committed to non-spendable, restricted, and committed, which is confirmed with the standards. \$200,000 has been allocated for Fixed Asset Acquisition, \$300,000 for Litigation, and \$777,320 for the Appropriated Fund Balance, with an Unassigned fund balance of \$7,425,090 remaining. Last year, this Fund Balance was about \$6.2 million, which means that it has increased by \$1

million dollars due to salary savings from vacant positions, postponement of expenditures, and reductions in costs for services and expenditures. Mr. Ghasemi presented a graphical presentation of the District's fund balance over the next five years that detailed expenditures, revenue, fund balance, and fund balance from the prior year's projection.

In conclusion, the District is financially stable in FY2022-2023. The net cost of \$777,320 is mostly for fixed assets and capital improvements for operational efficiency. The current fund balance is above target level and is sufficient to cover the net cost. The District will maintain continued vigilance in scrutinizing expenses and adjusting fees because they are important in maintaining the fund balance at target levels in future years.

Mayor Rollins stated that the District plans to spend more money than it is bringing in since the budget is not balanced out to zero each year and asked if the remaining balance is obtained from reserves or if it is subsidized by the County. Mr. Ghasemi answered that the money is coming from the fund balance because they always keep reserved funds in case of emergency. There are sufficient funds to cover four to six months of employee salaries. Estimates are very conservative, so year by year, the net costs are covered and funds are adding to the reserves as well. Mayor Rollins asked what percentage of the reserves are set aside to keep the District healthy and Mr. Ghasemi answered that there is a targeted value based on the number of employees that the District has and the cost of operating expenses for four to six months. Mr. Ghasemi pointed out that according to the graph on slide 18 of his presentation, the fund balance is significantly higher than the required target fund balance that is allocated for four to six months of operating expenses. Mayor Rollins commented that the District appears to have less of a fund balance over the course of the next five years and Mr. Ghasemi confirms that the graph shows a decrease, but because of how conservative the estimated budget is and the \$300,000 in contingency funds, the District ends up saving more than the net cost.

Vice Chair Edmonds commented that she was pleased that the District will be purchasing four new electric vehicles and asked if the District was planning on filling the two vacant manager positions. Mr. Ghasemi stated that the District would be postponing the filling of the vacancies until a new Executive Officer is selected.

Chair LaVere asked what the District is planning on doing with respect to increasing permit fees to meet the cost of the program since it doesn't appear to be a sustainable model. Mr. Ghasemi explained that the District does fee adjustments annually according to the CPI. Even though the CPI allows for an annual increase of say 6%, the District does not feel that this is fair to applicants and usually asks for increases of about 3-4%. Chair LaVere commented that one of the reasons that the District is showing that appropriations exceed revenue is because of extraordinary one-time costs that will not recur next year and Mr. Ghasemi answered that he is correct.

A motion to approve the proposed budget was moved by Vice Chair Edmonds, seconded by Mayor Rollins, and approved unanimously by the committee.

5. Mr. Ghasemi presented a request for authorization to reclassify one vacant Supervising Air Quality (AQ) Specialist position in the Planning Division to Supervising AQ Engineer. The Planning Division is currently working on developing its Air Quality Management Plan (AQMP), which is a very complex project that requires engineers on staff. A Supervising AQ Specialist would not be able to supervise other categories, like engineers and for this reason, the District is proposing to change the position to a Supervising AQ Engineer. Vice Chair Edmonds asked if the position is being reconfigured for someone already holding the job. Mr. Ghasemi stated that the job would be opened up as a promotional opportunity. Mayor Rollins asked what the increase in salary would be. Mr. Ghasemi responded that the increase would be insignificant because the existing position of Supervising AQ Specialist would be eliminated. Mayor Rollins commented that he thought that there would be an increase in salary as they are taking on more responsibility. Mr. Ghasemi stated that the category range for the salary is set to earn 5% more than the Supervising AQ Specialist as is common practice.

A motion to approve the reclassification was moved by Chair LaVere, seconded by Vice Chair Edmonds, and approved unanimously by the committee.

6. The adoption of a resolution authorizing remote teleconference meetings of the Standing Committee for a 30-day period pursuant to Government Code Section 54953, Subdivision (e), of the Ralph M. Brown Act was moved by Vice Chair Lynn Edmonds, seconded by Mayor Rollins, and approved unanimously by the committee.
7. The next regular meeting was tentatively scheduled for May 10, 2022 at 1:30 p.m.
8. Chair LaVere adjourned the meeting at approximately 2:40 p.m.