

# Fiscal Year 2018-19 Proposed Budget

## Public Hearing Santa Barbara County Air Pollution Control District

Our Mission: To protect the people and the environment of Santa Barbara County from the effects of air pollution.

Aeron Arlin Genet  
Director / APCO

May 17, 2018



### PROPOSED BUDGET FISCAL YEAR 2018-19

Santa Barbara County Air Pollution Control District  
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Aeron Arlin Genet  
Air Pollution Control Officer

# Fiscal Year 2018-19 Budget Overview

- FY 2017-18 Proposed Budget \$11,115,037
  - Operating budget \$7,857,599
    - **.5% reduction** from prior year in **operating budget**
- Overall budget increase of 7.2% (\$744,910)
  - One time pass through grant revenue increase
- FY 2018-19 Staffing: reduced to 37 FTE
- Balanced budget



# Long Range Budget Planning Effort

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- Conducted a 5-year forecast to evaluate revenue and expenditure trends
- Goal: ensure the District has long-term stability & resources to implement mission & mandate
- Position agency in new era beyond traditional revenue streams
- Streamline organizational structure
- Optimize ability to recruit and retain employees

# Today's Trends Impacting Tomorrow's Operations

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- **Revenue:**
  - Significant decrease to the oil and gas activities in Santa Barbara County
  - 5-year forecast estimate an annual reduction of \$620,000
- **Expenditure:**
  - Pension cost are expected to increase 6% annually over next 5 years
- **Staff recruitment & retention difficulties**
  - Need for competitive compensation
  - 75% of staff are paid 4.5 – 12.4% **below** market median



# Agency Reorganization Efforts

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- Right-size agency from 43 staff to 37 staff
- Maintain current Division Structure (Admin, Eng., Compliance & Planning)
- Move Public Information Officer to report directly to APCO
- Outsource IT work to contractors
- Monitoring Section incorporated into Planning Division
- Simplify Management structure
  - One supervisor per Division
  - Reallocate IT/Monitoring Supervisor & Community Programs Supervisor
- Create subclasses within Air Quality Specialist Classification
- Include pay adjustments to the median level for positions identified in the compensation report below that level

# Factors Affecting This Year's Budget

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- **One-Time Pass-Through Grant Fund Revenue**

- Increase of \$1,368,174 for local Carl Moyer projects
- Increase of \$250,000 for Wood Smoke Reduction Program
- Increase of \$155,272 in administrative funds to implement grant projects

- **Fee Revenues**

- Increase in Rule 210 fee schedule has not occurred since 1991 other than CPI adjustments
- FY 2018/19 CPI adjustment is 3%

- **One-time Expenditures**

- Electronically archiving active Engineering Division files
- Expanded use of Personal Air Sensors
- Expand District Brand Awareness and Public Accessibility (logo & revised website navigation)

# Major Accomplishments FY 2017-18 - Administrative

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- **Fiscal**

- Executed the FY 2017-18 budget & built the FY 2018-19 budget
- Hired and trained an Accounting Supervisor and Accounting Technician II
- Successfully completed the financial audit for FY 2016-17 with no audit findings

- **Human Resources**

- Implemented new time-keeping program through ADP
- Conducted a report by a third party consultant to assess District's compensation plan

- **Monitoring**

- Operated/managed 18 monitoring stations
- Observed one exceedance of the federal and state 8-hour ozone standard in 2017
- Deployed temporary monitoring stations to better assess wildfire impacts

- **Public Information**

- Issued 37 press releases and participated in 30 media interviews
- Interagency coordination and distribution of air quality information on numerous wildfires.

# Major Accomplishments FY 2017-18 - Engineering

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- **Permitting, Air Toxics, and Permit Compliance**
  - Performed 610 permitting actions
  - Successfully implemented the new State-mandated oil and gas regulation ahead of schedule
  - Designed and implemented new database to assist our permit compliance programs
  - Revamped the Permit Compliance Section's source test and CEMS programs for greater efficiencies and productivity



# Major Accomplishments FY 2017-18 - Compliance

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- Coordinated with the County Fire Department to initiate improvements for the Open burning program
- Performed 606 inspections at permitted facilities
- Responded to 369 air pollution complaints
- Performed administrative functions for 41 variance petitions
- Developed and implemented measures to improve process and timeliness of mutual settlement process

# Major Accomplishments FY 2017-18 - Planning

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- Secured Board approval for the nonattainment-transitional ozone plan revised control measure implementation schedule
- Awarded \$1,764,997 in Clean Air Grants
- Secured Board approval for adoption of Rule 360 – Low NOx Boilers, Water Heaters, and Process Heaters
- 2017 Marine Vessel Speed Reduction Program
  - Expanded program to include Bay Area region
  - Slowed down 143 transits and reduced 83.5 tons of NOx emissions
  - Worked with Congressman Lowenthal's office to introduce Blue Whales and Blue Skies Act (HR 3682)

# Proposed FY 2018-19 Budget Details



## REVENUE PLAN

	Actual FY 2016-17	Adopted FY 2017-18	Est. Act FY 2017-18	Proposed FY 2018-19
<i>Operating Revenues</i>				
Licenses & Permits	3,229,432	3,257,764	3,751,344	3,357,872
Use of Money (Interest)	31,626	40,000	80,000	75,000
Federal, State, and Other Governments	3,174,081	3,089,200	3,108,580	3,187,378
Charges for Services	1,715,408	2,315,718	2,315,715	3,252,071
Miscellaneous Revenue	7,788	2,000	2,000	2,000
Operating Total	8,158,335	8,704,682	9,257,639	9,874,321
<i>Other Financing Sources</i>				
Decrease in Fund Balance	296,748	1,665,445	-	1,240,716
Revenue Plan Total	<u>\$ 8,455,083</u>	<u>\$ 10,370,127</u>	<u>\$ 9,257,639</u>	<u>\$ 11,115,037</u>



# Operating Revenue Plan

## TOTAL REVENUE

	Adopted FY 2017-18	Proposed FY 2018-19	Budget to Budget Var.
Revenue Total	\$ 8,704,682	\$ 9,874,321	\$ 1,169,639
Use of Fund Balance	1,665,445	1,240,716	(424,729)
Revenue Plan Total	<u>\$ 10,370,127</u>	<u>\$ 11,115,037</u>	<u>\$ 744,910</u>

## GRANTS/PASS THROUGH REVENUE

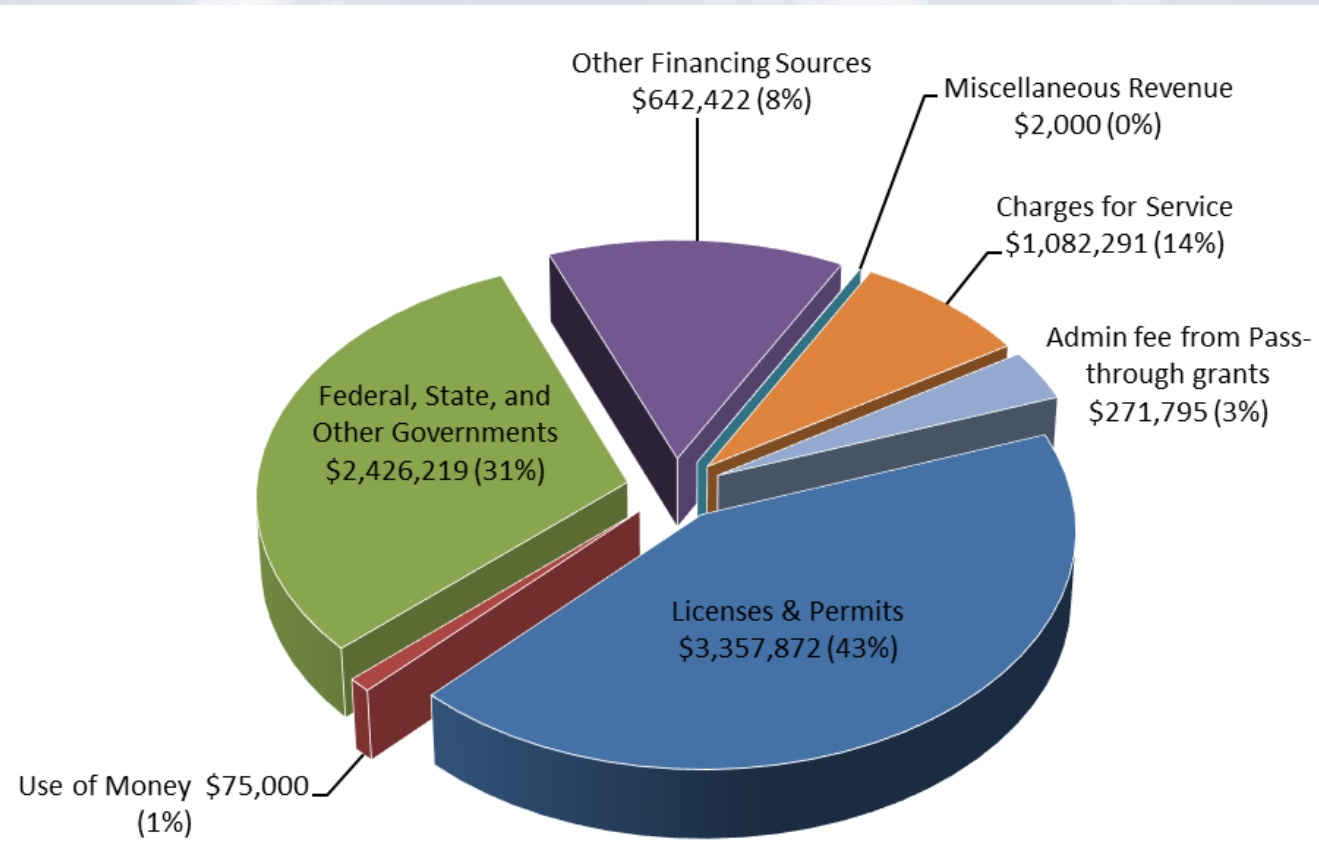
	Adopted FY 2017-18	Proposed FY 2018-19	Budget to Budget Var.
<i>Grant Revenues</i>			
CARB Grants (Moyer and Other)	\$ 1,154,337	\$ 2,169,780	\$ 1,015,443
Motor Vehicle \$2	759,125	761,159	2,034
	1,913,462	2,930,939	1,017,477
<i>Administrative portion of Grant</i>			
Admin Fee- General Fund	(191,737)	(271,795)	(80,058)
<i>Use of Grant Fund Balances</i>	758,565	598,294	(160,271)
Revenue Plan Total	<u>\$ 2,480,290</u>	<u>\$ 3,257,438</u>	<u>\$ 777,148</u>

## OPERATING REVENUE

	Adopted FY 2017-18	Proposed FY 2018-19	Budget to Budget Var.
Operating Revenue	\$ 6,791,220	\$ 6,943,382	\$ 152,162
Pass-through Admin Fee	191,737	271,795	80,058
Use of operating fund balances	906,880	642,422	(264,458)
Total Operating Budget	<u>\$ 7,889,837</u>	<u>\$ 7,857,599</u>	<u>\$ (32,238)</u>

# Operating Revenue Plan

Total operating revenue \$7,857,599



## CHARACTER OF EXPENDITURES

	Actual FY 2016-17	Adopted FY 2017-18	Est. Act FY 2017-18	Proposed FY 2018-19
<i>Operating Expenditures</i>				
Regular Salaries	\$ 3,495,587	\$ 3,722,476	\$ 3,424,678	\$ 3,593,660
Overtime	-	-	-	-
Extra Help	-	33,220	33,220	20,640
Benefits	1,903,161	2,029,904	1,867,512	1,996,422
Salaries & Benefits Total	5,398,748	5,785,600	5,325,410	5,610,722
Services & Supplies	2,389,601	4,126,828	3,852,477	5,084,057
Other Charges	154,880	165,199	157,765	171,719
Fixed Assets	127,787	292,500	286,493	137,000
Operating Total	8,071,016	10,370,127	9,622,145	11,003,498
<i>Other Financing Uses</i>				
Increase in Fund Balance	384,067	-	-	111,539
Expenditure Plan Total	<u>\$ 8,455,083</u>	<u>\$ 10,370,127</u>	<u>\$ 9,622,145</u>	<u>\$ 11,115,037</u>

# Operating Expenditure Characterization

## TOTAL EXPENDITURES

	Adopted FY 2017-18	Proposed FY 2018-19	Budget to Budget Var.
Salaries and Benefits	\$ 5,785,600	\$ 5,610,722	\$ (174,878)
Services and Supplies	4,126,828	5,084,057	957,229
Other Charges	165,199	171,719	6,520
Capital Assets	292,500	137,000	(155,500)
Increase to Fund Balance	-	111,539	111,539
Expenditure Total	<u>\$ 10,370,127</u>	<u>\$ 11,115,037</u>	<u>\$ 744,910</u>

## GRANTS/PASS THROUGH EXPENDITURES

	Adopted FY 2017-18	Proposed FY 2018-19	Budget to Budget Var.
<u>Grant Expenditures</u>			
Salaries and Benefits	\$ -	\$ -	\$ -
Services and Supplies	2,480,290	3,257,438	777,148
Other Charges	-	-	-
Capital Assets	-	-	-
Increase to Fund Balance	-	-	-
Grant Expenditure Total	<u>\$ 2,480,290</u>	<u>\$ 3,257,438</u>	<u>\$ 777,148</u>

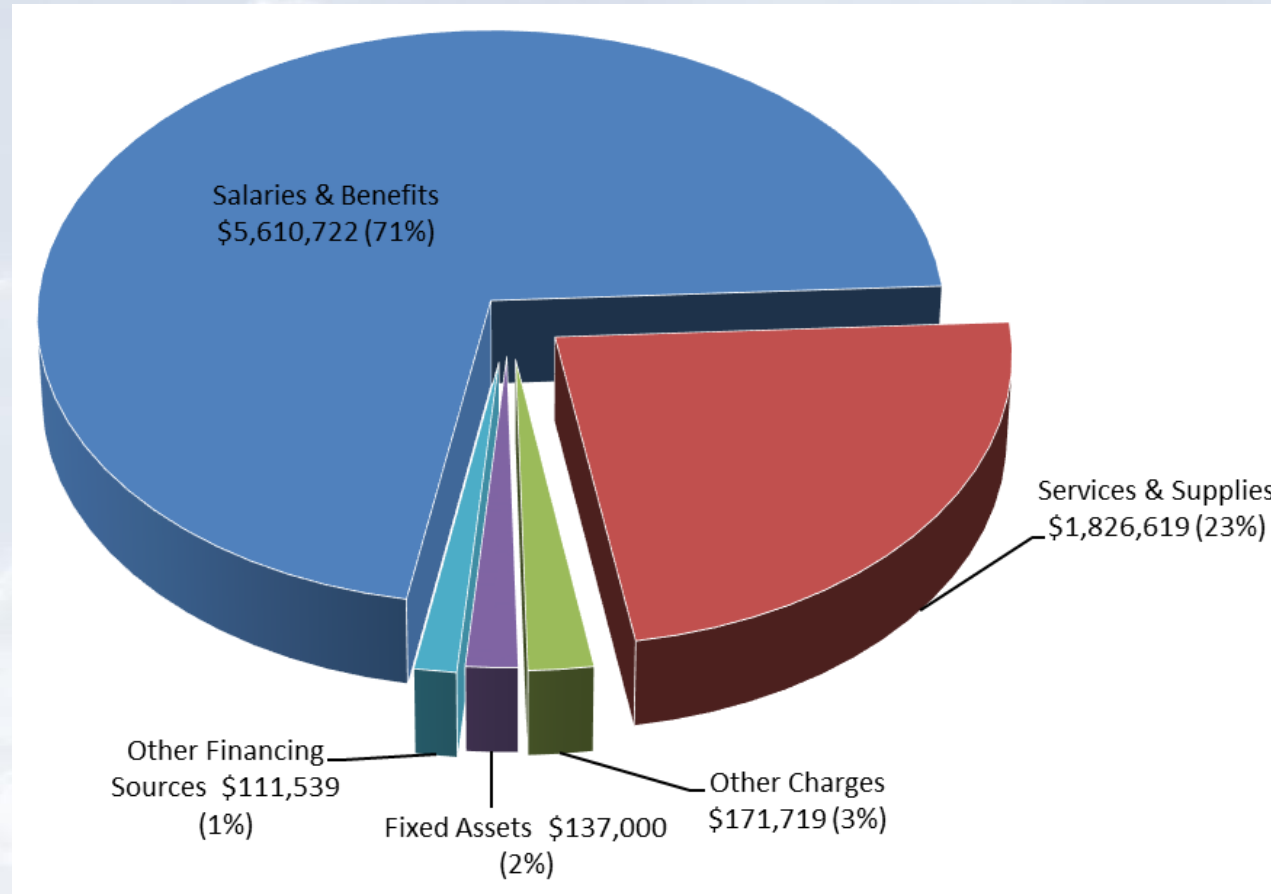
## OPERATING EXPENDITURES

	Adopted FY 2017-18	Proposed FY 2018-19	Budget to Budget Var.
<u>Operating Expenditures</u>			
Salaries and Benefits	\$ 5,785,600	\$ 5,610,722	\$ (174,878)
Services and Supplies	1,646,538	1,826,619	180,081
Other Charges	165,199	171,719	6,520
Capital Assets	292,500	137,000	(155,500)
Increase to Fund Balance	-	111,539	111,539
Total Operating Expenditures Budget	<u>7,889,837</u>	<u>7,857,599</u>	<u>\$ (32,238)</u>

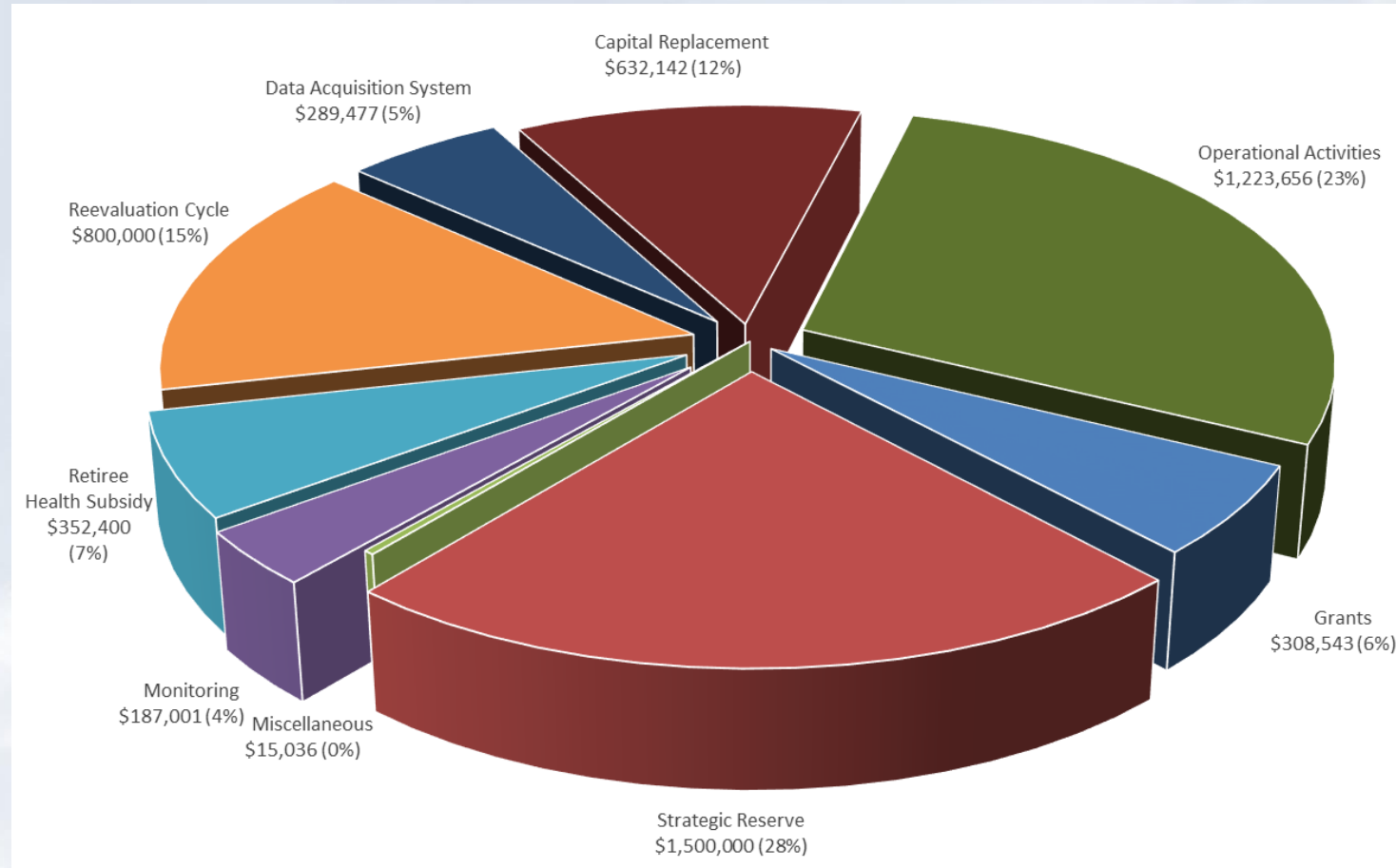


# Operating Expenditure Characterization

Total operating expenditures \$7,857,599



# Fund Balances \$5,308,255



# FY 2018-19 Key Goals & Objectives

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- Improve District efficiency
  - Implement new accounting and online payment software
  - Initiate, develop and implement Compliance Database program
- Eliminate Mutual Settlement backlog
- Implement requirements of AB617, including Community Air Protection program, emission reporting and BARCT
- Revise air monitoring network to meet needs of Santa Barbara County
- Implement Clean Air Ambassador Program
- Implement new one-time grant funds awarded (i.e., State Wood Smoke Reduction program, FARMER, AB617 and State Reserve)

# Contact Information

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Thank you

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