



**Santa Barbara County
Air Pollution Control District**

Our Vision  **Clean Air**

**Fiscal Year 2012-13 Proposed Budget
June 21, 2012**



**260 North San Antonio Road, Suite A
Santa Barbara, CA 93110
805-961-8800
www.sbcapcd.org**

**Dave Van Mullem
Air Pollution Control Officer**

Budget Adoption Process

- Release of draft budget — April 6
- Public workshop — April 17
- Industry and Union Meetings — various dates
- First Board Hearing — May 17
- **Second Board Hearing & Adoption — June 21**
 - ◆ **Budget Resolution**
 - ◆ **Salary/Staffing Resolution**
 - ◆ **Revised Job Class Specifications**
 - ◆ **401(h) Retiree Medical Contribution Resolution**

Adjustments to the May Proposal

- **Propose use of Operational Activities designations of \$50,000 as a replacement for imposing a 3-day furlough**
- **Update explanation for decrease in Salaries and Benefits under the Administration Division section**
- **Update job class table for a typographical error in APCO Monthly Equivalent Salary Range**
- **Update other related expenditures, revenues, and designation charts, graphs, tables, and narratives for the above changes**

FY12/13 Revise at a Glance

- **May Proposed Staffing: 48.00**
- **June Proposed Staffing: 48.00**
- **May Proposed Budget: \$9,158,240**
- **June Proposed Budget: \$9,158,240**
- **Proposed 1-time use of Operational Activities designations of \$50,000 in lieu of proposed 3-day furlough**



No
Change



No
Change

4 Focus Topics

- 1. Casa Nueva lease – floor space study**
- 2. Reference to \$150,000 Gift Card in Admin Salary & Benefits**
- 3. Services & Supplies budgeted higher than actuals – Innovative Technologies Group (ITG) funds**
- 4. Review Notice of Violation (NOV) budget**

1: Casa Nueva

- **Current lease – a sweet deal**
 - ◆ **30-year fixed term starting 5/1/2003**
 - ◆ **14,139 square feet, guaranteed at \$1.29/sq ft for 21 more years**
- **Opportunities for cost reduction**
 - ◆ **If County refinances with lower interest rate, base rent will be reduced**
 - ◆ **Can give space back, but must be in a functional block, and 1-year advance notice**

1: Casa Nueva (con't)

- **Action:**

- ◆ **Accurately assessed vacant space**
- ◆ **Explored options with County Real Estate**
- ◆ **Researched feasibility of giving up one of the blocks with current staffing levels**

- **Conclusion:**

- ◆ **It is not feasible to return a functional block to the County at this time**
- ◆ **Will conduct periodic feasibility re-looks**

2: \$150,000 in Budget Admin Section

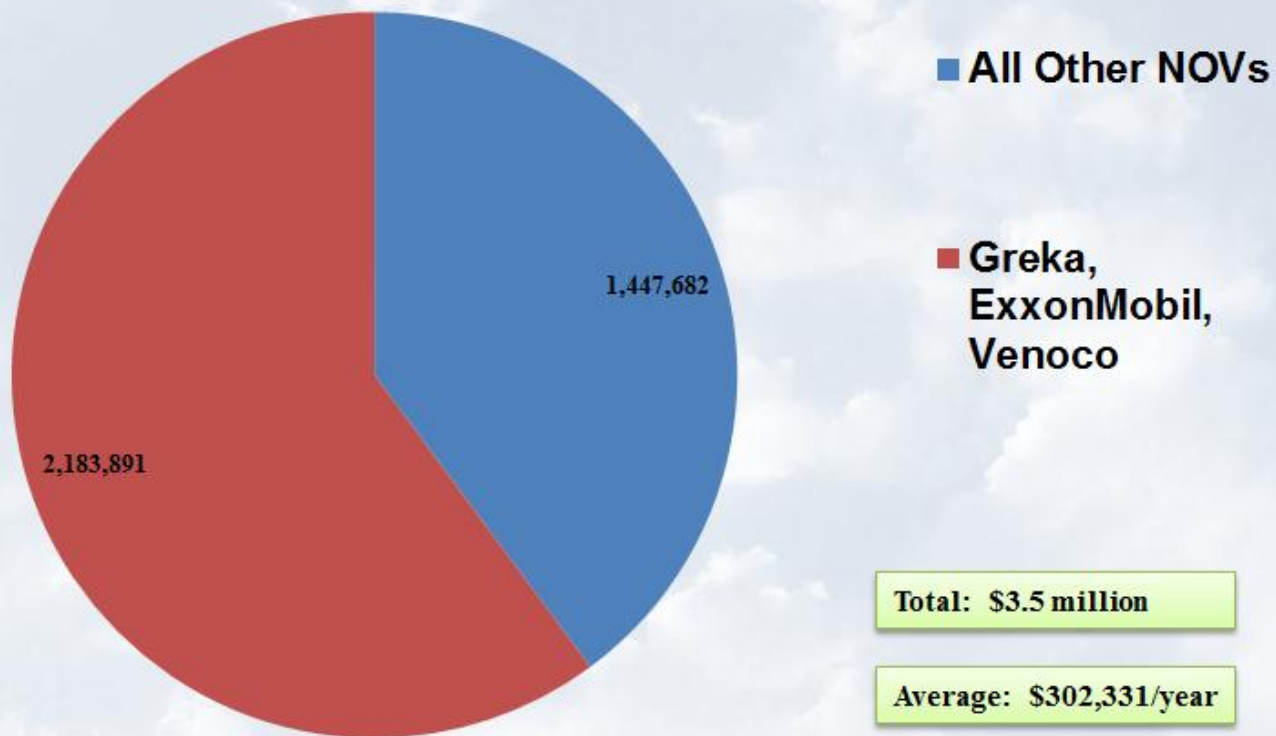
- **Reviewed details of Admin Section of Salary and Benefits:**
 - ◆ **Found Gift Cards were included in FY10/11 budget**
 - ◆ **Referenced in the FY11/12 budget**
 - ◆ **FY12/13 referenced Gift Cards in error**
- **Action: Corrected the narrative**
- **Conclusion: No budget impacts from error**

3: S&S Regarding ITG Projections

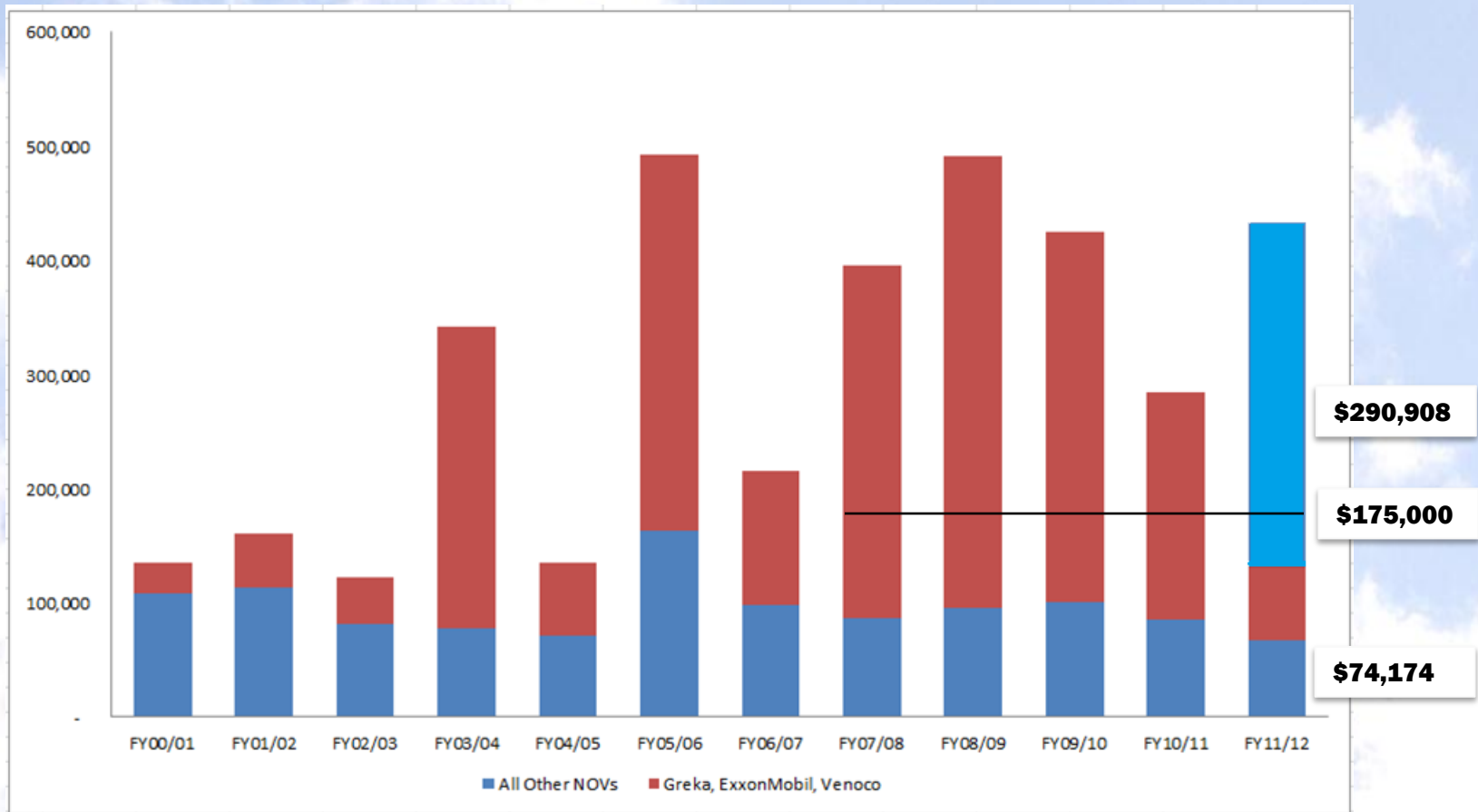
- **Moyer dollars are based on 2-year spend cycles**
- **Budget maximizes grant funding potential**
 - ◆ **Includes spending all revenue estimated, plus what is left over from previous year**
 - ◆ **Program interest increasing and gaining momentum**
 - ◆ **APCD projects minimal dollars left over at FY12/13 year-end**
- **Action: Continue to budget to maximize funding potential**
- **Conclusion: Staff recommends no change in proposed budget level for ITG**

4: Review NOV Budget - History

Total NOVs FY 00/01 to FY 11/12 (\$)



4: Review NOV Budget - History



4: Review NOV Budget - Trends

- **Trends over the last 12 years reveal: Greka, Exxon, Venoco combined average is \$182,000 per year, however ...**
 - ◆ **Last 4 years trend rapidly moving down**
 - ◆ **FY11/12 combined total is only \$68,000**
- **Average total for *all other* NOVs is \$120,640, however ...**
 - ◆ **With FY11/12 anomalies (two NOV outliers) removed, the 12-year trend is only \$96,000**
- **NOV amounts year-to-year are volatile**

4: Review NOV Budget - Projection

- **Using 12-year trend data FY12/13 total NOV estimated to be \$68K + \$96K = \$164K**
- **Note \$164K is close to \$175K budget, however ...**
 - ◆ **APCD has large backlog of NOVs to settle**
 - ◆ **Estimated backlog *final* settlement = \$80,000**
 - ◆ **Plus unforeseen anomalies spiking NOV funds**
- **Total FY12/13 Projected NOV estimated at \$244,000**

4: Review NOV Budget - Options

FY12/13 budget options for NOV revenue:

- **Maintain previous APCO NOV amount of \$175K**
 - **Amounts over at year-end spill into designated account**
 - **Note: Additional NOV income at year-end are designated for use in lieu of FY12/13 furlough**
- **Increase FY12/13 budget by NOV adjustment**

4: Review NOV Budget - Recommendation

- **Staff recommends that NOV revenue projection for FY12/13 budget remain at \$175,000**
 - ◆ **Does not establish perception of a quota system**
 - ◆ **Inspectors use their best judgment – no pressure**
 - ◆ **Recognizes NOV (red zone) is trending down**
 - ◆ **Budget not subject to stress of a low NOV year**
 - ◆ **Additional NOV funds at year-end can be designated for future use**

Questions?

June 21, 2012

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