




air pollution control district  
SANTA BARBARA COUNTY

Agenda Item: E-4  
Agenda Date: May 20, 2021  
Agenda Placement: Admin.  
Estimated Time: N/A  
Continued Item: No

## Board Agenda Item

TO: Air Pollution Control District Board

FROM: Aeron Arlin Genet, Air Pollution Control Officer 

CONTACT: Kristina Aguilar, CPA, Administrative Division Manager, (805) 961-8813

SUBJECT: Financial Status Update for 3<sup>rd</sup> Quarter of Fiscal Year 2020-2021, Ending March 31, 2021

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### RECOMMENDATION:

Receive and file the Budget to Actual Report for the 3<sup>rd</sup> quarter of fiscal year 2020-2021, period ending March 31, 2021.

### DISCUSSION:

The onset of the COVID-19 pandemic occurred during the APCD's budget development and adoption process in Fiscal Year 2020-2021 (FY 2020-21). This unforeseen scenario brought considerable economic uncertainty to the region. The economic effects of stay-at-home orders and closure of non-essential businesses, along with changes to consumer demand could potentially impact the businesses that the District regulates. In response, throughout FY 2020-21, the District is closely monitoring revenues and expenditures to ensure long-term stability of the agency. This update is intended to provide the Board with a snapshot of where the agency is after nine months of the fiscal year and the important revenue indicators that are being tracked during this time.

The attached Budget to Actual Report for the period ending March 31, 2021 summarizes nine months of FY 2020-21 (which represents 75% of the budget year). Each year, the District starts the fiscal year off slow, regarding revenue, because some of the agency's revenue streams are cyclical (i.e., re-evaluation fees) and do not occur until the permit renewal is due. There are other revenue streams that are not recognized until the second half of the year, due to timing of those activities (i.e., annual emission fees and air quality attainment planning fees). The Budget to Actual Report includes all revenue sources except pass-through grant incentive funds. With that being said, the District's operations are showing a net profit of approximately \$147,500 through March 31, 2021.

**Aeron Arlin Genet**, Air Pollution Control Officer

In assessing the fiscal ramifications the District is experiencing due to COVID-19, the District estimates that approximately 2.2% of operating revenue (\$-214,000) is not being received because of COVID-19 implications. These impacts are the result of two factors: 1) staff limitations to inspect facilities with confined spaces (\$-139,000) and 2) interest received for the agency's fund balance accounts are underperforming and not being realized as budgeted (\$-75,000).

Revenue:

Year-to-date operating revenues total approximately \$5,097,475 or 53% of the total annual operating revenue budget. Implementation funds of \$94,191 for Community Air Protection Program funding has been received as well as \$182,277 of EPA federal funding for the 103 & 105 Grants. Department of Motor Vehicle (DMV) revenue received is \$1,015,351, which is 68% of total budget. Evaluation fees and application filing fees received through March 31, 2021 are at 82% and 111% respectively. For the remainder of the fiscal year the District anticipates receiving between 90% to 100% of all operating revenue streams except for the two noted above that have been affected by COVID-19.

Expenditures:

Year-to-date operating expenditures of approximately \$4,950,016 represents 49% of the total annual operating expenditure budget. Salaries and benefits were \$3,765,464 through March 31, 2021 representing 63% of the total budget for that expenditure category. Services and supplies are approximately \$933,305 or 48%.

For non-operating expenditures, fixed assets expenditures were \$110,451 which includes an air toxic module to be added to the District's portable Airpointer monitor, an Ozone analyzer for our monitoring group, and a MicroPHAZIR that will be used by the District's Compliance staff to access the presence of asbestos.

Other Revenue Indicators:

The District is tracking a multitude of indicators that could be impacted by an economic downturn associated with the COVID-19 pandemic. Permit applications are a reflection of new businesses entering the area or expansion/modifications to existing facilities. The District received an average of 31 permit applications per month since the onset of the pandemic. This is compared to the five-year average of 31 applications per month – 100% of the five-year average submittal. Application fee revenues after nine months of the fiscal year is 111% of total budget. It should also be noted that permit cancelations are below the historical five-year average since the onset of the pandemic.

Other revenue indicators being tracked include asbestos notification and application fees, permit application source type, CEQA project review, and DMV registrations. To date, no significant reductions in these categories have resulted due to COVID-19.

The District will continue to monitor revenues and expenditures closely and will bring back the fourth quarter financial reports to your Board at the August 19, 2021 meeting.

**ATTACHMENT:**

- A. Budget Report for period ending March 31, 2021

ATTACHMENT A

Budget Report for period ending March 31, 2021

May 20, 2021

Santa Barbara County Air Pollution Control District  
Board of Directors

260 San Antonio Road, Suite A  
Santa Barbara, California 93110



Santa Barbara County  
Air Pollution Control District

# Budget Report

For Fiscal: 2020-2021 Period Ending: 03/31/2021  
(75% of budget)

	Original Total Budget	Actuals for Qtr. Ending 03/31/21	Variance Favorable (Unfavorable)	Percent Used
<b>Revenue</b>				
Licenses & Permits	3,555,421.00	2,486,948.41	(1,068,472.59)	69.95%
Use of Money	150,000.00	(23,659.00)	(173,659.00)	15.77%
Intergovernmental Revenue - State	1,797,417.00	1,394,266.77	(403,150.23)	77.57%
Intergovernmental Revenue - Federal	513,000.00	182,277.00	(330,723.00)	35.53%
Intergovernmental Revenue - Other	290,000.00	174,411.69	(115,588.31)	60.14%
Charges for Services	1,065,278.39	768,925.65	(296,352.74)	72.18%
Miscellaneous Revenue	12,348.00	53,043.30	40,695.30	429.57%
Restricted Fund Balance - Unrealized Gains/Losses	-	61,261.26	61,261.26	0.00%
Committed Fund Balance	2,190,931.31	-	(2,190,931.31)	0.00%
<b>Revenue Total:</b>	<b>9,574,395.70</b>	<b>5,097,475.08</b>	<b>(4,476,920.62)</b>	<b>53.24%</b>
<b>Expense</b>				
Salaries & Benefits	5,982,901.74	3,765,464.28	2,217,437.46	62.94%
Services & Supplies	1,928,657.00	933,305.04	995,351.96	48.39%
Other Charges	171,575.00	140,795.74	30,779.26	82.06%
Fixed Asset	2,008,000.00	110,451.00	1,897,549.00	5.50%
Deposit into Committed Fund Balance	95,549.00	-	95,549.00	0.00%
<b>Expense Total:</b>	<b>10,186,682.74</b>	<b>4,950,016.06</b>	<b>5,236,666.68</b>	<b>48.59%</b>
<b>Report Surplus (Deficit):</b>		<b>147,459.02</b>		