

Action Summary Minutes  
San Joaquin Valley Unified Air Pollution Control District  
**GOVERNING BOARD**

Central Region Office, Governing Board Room  
1990 E. Gettysburg Avenue, Fresno, CA

**SPECIAL PUBLIC HEARING:**  
**REVIEW OF 2011-12 RECOMMENDED BUDGET**

**Thursday, May 19, 2011**

**9:00 a.m.**

**Or as soon thereafter as the matter may be heard**

*Meeting held via teleconferencing with the Central Region Office (Fresno), the Northern Region Office (Modesto) and the Southern Region Office (Bakersfield).  
This meeting was webcast.*

1. **CALL MEETING TO ORDER**

The Chair, J. Steven Worthley, called the meeting to order at 9:06 a.m.

2. **ROLL CALL** was taken and a quorum was present.

*Present:*

Tony Barba, Supervisor

Judy Case, Supervisor

Ronn Dominici, Supervisor

Dr. Henry Jay Forman, Ph.D.

Randy Miller, Mayor\*\*

William O'Brien, Supervisor\*

Leroy Ornellas, Supervisor\*

Chris Vierra, Mayor\*

Hub Walsh, Supervisor

Raymond Watson, Supervisor\*\*

J. Steven Worthley, Supervisor, **Chair**

Kings County

Fresno County

Madera County

Appointed by Governor

City of Taft

Stanislaus County

San Joaquin County

City of Ceres

Merced County

Kern County

Tulare County

\* Attended meeting in Northern Region Office

\*\*Attended meeting in Southern Region Office

*Absent:*

Ann Johnston, Mayor, **Vice Chair**

Mike Lane, Councilmember

John G. Telles, M.D.

City of Stockton

City of Visalia

Appointed by Governor

3. **PUBLIC HEARING FOR REVIEW AND COMMENT ON THE DISTRICT'S 2011-12 RECOMMENDED BUDGET** – The report was presented by Seyed Sadredin,

Executive Director/APCO; Rick McVaigh, Deputy APCO; and Cindi Hamm, Director of Administrative Services.

*May 19, 2011*

Mr. Sadredin presented the first portion of the report, which included the accomplishments of 2010-11, the guiding principles and the priorities used in preparation of the Recommended Budget, the outlook for 2011-12, and the highlights of the 2011-12 Recommended Budget, which include:

- No fee rate increase
- No increase in total amount budgeted for regular salaries
- 7% salary savings through position control
- No new positions – additional workload absorbed through efficiency & streamlining
- Maintains lowest permit fees and administrative overhead
- Automation and remote control for District's air monitoring network
- Strong public education and outreach
- Helping hand to local municipalities in meeting clean-air and climate change mandates
- Valley-specific health and scientific studies
- Major funding for emission reduction incentive grants
- Funding for air pollution control technology advancement
- Balanced budget with adequate reserves & contingencies
- New budgeting approach for non-operating appropriations.

Mr. Sadredin also explained the District used a strict zero-based budgeting approach to create the 2011-12 Recommended Budget. Mr. McVaigh presented the second portion of the report, which provided further details on the additional workload facing the District in 2011-12 and the efficiencies and streamlining process implemented by the District to mitigate the increased workload. Ms. Hamm presented the final portion of the report, which covered the new budget approach and fiscal impacts of the 2011-12 Recommended Budget.

Supervisor Walsh asked about climate action services and asked how they might be reflected in the Budget. Mr. Sadredin responded some are fee for service and others are absorbed by the District through its operating budget. He noted the only time the District asks for a fee for service from other agencies is when they are able to secure federal or state grant money, such as in Kern County. He added that no new permit fees have been added for climate change services. Supervisor Walsh asked if the District used an outside contractor for negotiations. Mr. Sadredin responded the Board has desired in the past to have negotiations handled in-house. He stated in the past, the District has hired outside, part-time help occasionally but noted, this year that is not planned. He did clarify that money is available for outside legal or technical assistance as needed, but most negotiations are handled by the Personnel Department. Supervisor Walsh also asked about third-party contractors for gas station areas in Compliance. Mr. Sadredin responded staff looks carefully at outsourcing and noted the costs outlined in the Recommended Budget are for certifying third-party contractors hired by the gas stations. Also, Supervisor Walsh asked how long an employee could remain on temporary status. Mr. Sadredin responded the Board has limited temporary status to two years or 2,080 hours over a two-year period. He noted

the District's philosophy has been to use temporary help for fluctuating workloads and over time, eliminate these positions or convert them to permanent positions. Lastly, Supervisor Walsh asked if incentive dollars are time sensitive, when would the clock start running. Mr. Sadredin responded each funding source has its own statutory timeline and noted generally they do not go past one year. He acknowledged some funding sources are multi-year, and noted with the state's budget crisis last year, the District received some of the funding very late.

Supervisor O'Brien asked for an explanation of the non-operating revenues and how much has been actually received by the District. Ms. Hamm stated the amount was about \$98 million. Supervisor O'Brien asked about the estimated actual dollars for appropriation, which show only \$9 million of the current Budget has been spent. Mr. Sadredin clarified the reporting difference lies between the old policy and the new policy for budgeting non-operating appropriations. Supervisor O'Brien asked about the Lower Emission School Bus Program and asked about other funding sources for this program and the requirement. Mr. Sadredin responded, aside from the \$32 million set aside for the school buses, part of the money would come from the motor vehicle fees, as the Board agreed that replacing school buses would be a good way to get the return directly back to the public, and part would come from the federal government. Supervisor O'Brien asked if school buses were a major source of pollution. Mr. Sadredin responded that due to leakages, children riding in those aging vehicles are exposed to pollution levels inside the buses that are three times as high as what they would be outside. He noted this is an environmental justice issue. Lastly, Supervisor O'Brien asked if the adjusted revenues figures would be considered actual numbers or adjusted budget numbers. Mr. Sadredin clarified the term adjusted refers to the budgeted dollars. In response to a question from Supervisor O'Brien, Chairman Worthley clarified that the delayed 4% salary adjustment for Management was tentatively approved by the Board in Closed Session and that it would not be retroactive.

Supervisor Watson complimented the District on the detailed information presented in the Budget report. He voiced appreciation for the fact that the Budget does not contain any fee increases, and that the District has the lowest fees and administrative overhead costs. Supervisor Watson expressed concern regarding future impacts on retaining qualified staff as the economy improves and turnover increases. He asked staff to make sure the Budget tries to address the possibility that when the economy recovers, the District could lose a large amount of employees with technical expertise to the private sector, by remaining competitive in terms of workload and compensation.

Mr. Sadredin articulated a great sense of pride for everything staff has accomplished while keeping costs low. He described the many factors that go into management decisions to continue to ask so much of staff and the Management team and expressed his appreciation for the staff continuously meeting the demands set forth for them. He noted a big load falls on the unrepresented Management team, who routinely work more than 40 hours per week and do it with a great attitude and very high morale. He acknowledged their efforts to make the District an enjoyable place to

work for the staff. He also communicated the need to be sensitive to the current economic situation in the communities. Lastly, he acknowledged the pension costs are not sustainable and noted staff is working to address that issue. Supervisor Watson asked Mr. Sadredin to make sure the Budget will allow him as APCO, to respond to the marketplace when the time comes. Supervisor Case thanked staff for the comprehensive and thorough Budget presentation and voiced her appreciation for District staff for their hard work, great attitudes and mindfulness of the economic situation on a day to day basis. She noted added pension costs are a concern at this time.

Public Comment – None

Supervisor Worthley clarified the Recommended Budget would appear on the June Governing Board Agenda for adoption as a Consent item. Mr. Sadredin responded affirmatively.

## **ADJOURN**

Meeting adjourned at 10:48 a.m.