

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 2009-10 RECOMMENDED BUDGET

Thursday, May 21, 2009
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, Chris Vierra called the meeting to order at 9:11 a.m.
2. ROLL CALL was taken and a quorum was present.

Present:

Tony Barba, Supervisor, Vice Chair	Kings County
Judy Case, Supervisor	Fresno County
Henry J. Forman, Ph.D.	Appointed by Governor
Michael G. Nelson, Supervisor	Merced County
William O'Brien, Supervisor*	Stanislaus County
Leroy Ornellas, Supervisor*	San Joaquin County
John G. Telles, M.D.	Appointed by Governor
Chris Vierra, Councilmember, Chair	City of Ceres
Raymond Watson, Supervisor**	Kern County
J. Steven Worthley, Supervisor	Tulare County

*Attended meeting in Northern Region Office

**Attended meeting in Southern Region Office

Absent:

Ronn Dominici, Supervisor	Madera County
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3. PUBLIC HEARING FOR REVIEW AND COMMENT ON THE DISTRICT'S 2009-10 RECOMMENDED BUDGET – The report was presented by Seyed Sadredin, Executive Director/APCO; Rick McVaigh, Deputy APCO; and Roger McCoy, Director of Administrative Services.

Mr. Sadredin expressed his gratitude to the Ad Hoc Budget Subcommittee,

Chairman Vierra, Supervisor Worthley, Supervisor Barba and Supervisor O'Brien, for their guidance and oversight with budget preparations. He also thanked Mr. McCoy and his staff for their hard work on the budget.

Mr. McCoy introduced Fred Bates, District Controller and Charlie Hemphill, Supervising Accountant and acknowledged their large contribution to the preparation of the budget.

Mr. Sadredin presented the first portion of the report which included the major accomplishments of 2008-09, the guiding principles used in preparation of the Recommended 2009-10 Budget, the outlook for 2009-10, potential mid-year budget amendments, and highlights of the Recommended 2009-10 Budget. Mr. McVaigh presented the second portion of the report which addressed the additional workload facing the District in 2009-10 and the efficiencies and streamlining processes implemented by the District to mitigate the increased workload. Mr. McCoy presented the final portion of the report which covered the financial impacts of the 2009-10 Recommended Budget.

Supervisor Ornellas asked for an explanation of the 3% increase in permit fees. Mr. Sadredin explained the Recommended Budget includes an 8% fee increase approved by the Board in December of 2007, but the actual revenue impact from the fee increase is only 3% in 2009-10 due to the cyclical nature of some permit fees. He noted the District's fees are still the lowest in the state.

Supervisor Worthley thanked Mr. McCoy for making the budget easy to understand. He noted one of the larger increases in this year's budget is due to additional air monitoring requirements as requested by members of the public and just wanted to remind everyone that there are costs associated with meeting such requests.

Dr. Telles asked for a "ballpark figure" on the amount a regulated industry pays for a permit. Mr. Sadredin replied District permit fees range from about \$100 per year for smaller facilities to \$60,000 per year for the largest facility. Dr. Telles asked about the status of Proposition 1B Funds. Mr. Sadredin replied funds for school buses and truck replacements should be released shortly and the District is continuing to process the applications. Dr. Telles expressed concern at the percentage of the retirement and employee benefit plan. He stated although the costs went down a little this year, they need to be watched closely. He also expressed disappointment at the amount of money allocated for projects that will benefit the community, including the woodstove change out and lawnmower exchange program. He asked about the possibility of using grant funds from other sources for these programs. Mr. Sadredin responded that grant funds come with specific requirements on how the funding can be used and most cannot be used on these types of community programs. He added that these grants were doubled in last year's budget and the proposed budget nearly triples these grants for this year. Mr. Sadredin stated the District will continue to explore every available opportunity for increasing these grants.

Dr. Forman asked how the stimulus funds have been projected into the budget. Mr. Sadredin stated if staff is successful in obtaining stimulus funds they will bring the proposed projects before the Board for approval during the 2009-10 budget year. He noted many of the stimulus funds are reimbursable, meaning the District must spend the funds first. He also gave an update on stimulus funds the District has applied for.

Supervisor Case stated caution should be exercised when using funds for reimbursable projects. She also stated it would be good to broaden the programs that engage the public such as the lawnmower program, by using funding that is not tied to anything else such as ISR funding. She also suggested the Board should review the budget on a quarterly basis instead of biannually. She gave kudos to District staff for picking up additional businesses that needed to be regulated and asked how permit streamlining efforts would affect the backlog. Mr. Sadredin stated that District policy is to not issue a check to anyone until the money is in the bank. He also noted the Governing Board is presented with a Budget Status report every month.

Supervisor Watson noted the District has the lowest overhead and fee structure in the state, along with high performance levels. He complimented management and staff on the great job they are doing with the resources they have. He also stated the District should continue to focus efforts to try to obtain matching grants to assist people who do not have the resources to do what is necessary to further clean the air. He also mentioned the increased retirement is a large burden to get the job done and should be addressed in the future. Mr. Sadredin noted the employer rate went up 2.97% with a budget impact of 14%. He suggested the idea of a two-tier retirement system should be put on the table when labor negotiations are reopened.

Supervisor Worthley noted the District is tied to Kern County's retirement system, which has adopted a second tier system. He asked if it was possible for the District to adopt a similar program. Mr. Sadredin stated any change in retirement benefits is a negotiable item. He added that given the continuing increase in costs, the District could make this matter a part of the next round of negotiations for a new labor contract. Supervisor Case mentioned the need to be prepared for a significant increase in retirement costs due to the stock market losses. Chairman Vierra thanked everyone for their hard work on the budget and noted the issue of retirement costs has come to the forefront and should continue to be monitored.

Public Comment – *The following persons provided testimony on this item:*

- Evan Shipp, Shipp Air Quality Consulting
- Laura Fultz-Stout, Coalition for Clean Air

Dr. Telles made an additional comment about the need to coordinate funding for research projects that will have the most impact on public health in the Valley. Mr. Sadredin noted staff will take direction from the Board on research projects needed in the Valley.

Dr. Forman suggested the need for a comprehensive study on the rising asthma rates in the Valley.

Moved: Worthley
Seconded: Watson
Ayes: Case, Ornellas, O'Brien, Forman, Telles
Nelson, Watson, Barba, Vierra
Nays: None

Motion carried unanimously to set the Hearing for Adoption of the District's 2009-10 Recommended Budget for June 18, 2009.

ADJOURNED at 10:45 a.m.