



MINUTES

BOARD OF DIRECTORS
BUDGET AND PERSONNEL COMMITTEE
700 H Street - Suite 1487
Sacramento, California 95814

Thursday

March 28, 2024

10:30 AM

DIRECTORS

Chair
Patrick Kennedy

Vice-Chair
Sarah Aquino

Donald Terry

Eric Guerra

Sergio Robles

ANNOUNCEMENTS

Members of the public may participate in the meeting in-person, by video conference via Zoom, conference line, and by submitting written comments electronically by email at boardclerk@airquality.org.

Comments submitted will be delivered to the Board of Directors by staff. Public comments regarding matters under the jurisdiction of the Board of Directors will be acknowledged by the Chairperson during the meeting. Public comments will be accepted live until the adjournment of the meeting, distributed to the Board of Directors, and included in the record.

Submit public comments via email to: boardclerk@airquality.org

Zoom Meeting Link:

<https://us06web.zoom.us/j/87314130035?pwd=pTxA45BE35JssyS9bsq2AAvu2Zgaab.1>

Meeting ID: 873 1413 0035

Passcode: 101299

Call In Number

(669) 900-6833

(408) 638-0968

Teleconference Locations:

7333 North Fresno Street, Fresno, CA 93720

CALL TO ORDER/ROLL CALL

Meeting was called to order.

Directors Present: Sarah Aquino, Patrick Kennedy, Sergio Robles, and Donald Terry.

Directors Absent: Eric Guerra

BROWN ACT

DISCUSSION CALENDAR

1. Fiscal Year 2024/25 Preliminary Budget and Fee Schedule Review

Recommendation: Provide guidance and feedback on the FY 2024/25 preliminary budget strategy and fee schedule, and direct staff to present the FY 2024/25 Proposed Budget and Fee Schedule at a public hearing to the full Board of Directors on April 25, 2024.

Patty Kepner, Administrative Services Division, gave a presentation on the FY 2024/25 Preliminary Budget & Fee Schedule Review. There are a couple minor edits to the PowerPoint presentation on slides four and nine. Attached is the PowerPoint that was presented during the meeting.

The Committee provided guidance and feedback, and directed staff to present the FY2024/25 Proposed Budget and Fee Schedule at the public hearing to the full Board of Directors on April 25, 2024.

2. Update on District Headquarter Relocation

Recommendation: Receive and file a status update on the relocation of the District's Headquarters.

Patrick Smith, Administrative Services Division, gave a presentation on the District Headquarters Relocation. Attached is the PowerPoint that was presented during the meeting.

Received and filed

PUBLIC COMMENT

BOARD IDEAS AND COMMENTS

ADJOURN

FY2024/25 Preliminary Budget & Fee Schedule Review

Budget and Personnel Committee

March 28, 2024

Presenter: Patty Kepner, Controller

Presentation Outline

- FY24/25 Goals, Priorities and Staffing Strategy
- FY24/25 Proposed Budget
 - General Fund – Notable Changes from FY23/24
 - Building Fund
 - Special Revenue Fund
 - Fund Balance Trends
- FY24/25 Proposed Fee Schedule
- Committee Direction and Feedback

FY24/25 Proposed Budget

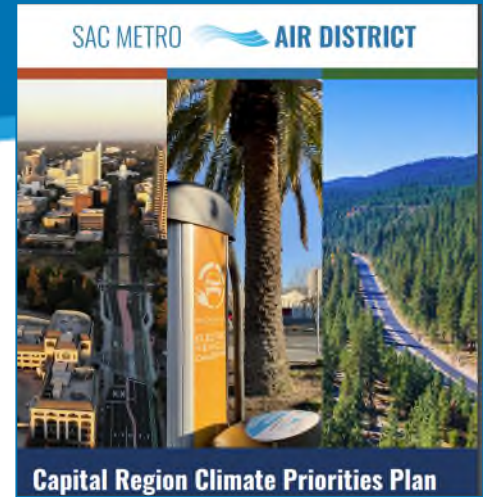
District Goals

- Meeting and Maintaining Federal Air Quality Standards and State and National Climate Targets
- AB 617 Community Air Protection Program and Environmental Justice
- Core Programs: Permitting, Enforcement, Air Monitoring, Land Use CEQA Review and Low-carbon Transportation Initiatives (e.g., Mobility, EV, Light/Heavy Duty Equipment)
- Regional Partnerships
- Operational Efficiencies



FY24/25 Proposed Budget Budget Priorities

- Expand AB617 scope to include the Community Emissions Reduction Plan (CERP)
- Obtain implementation grant under the federal Climate Pollution Reduction Grant (CPRG)
- Distribute increased number of incentives for Clean Cars for All grant
- Finish renovation of Del Paso air monitoring facility
- Complete implementation of AiriA software solution
- Relocate the District headquarters



FY24/25 Proposed Staffing Strategy

- Increase Full-Time Equivalents (FTE) to 105.8 – increase of 4.0 FTE from FY23/24 amended FTE to support increased grant activities

	FY23/24 Approved	FY23/24 Amended (March 24)	FY24/25 Proposed
FTE	97.6	101.8	105.8
Classifications		Comms Specialist AQ Specialist (2.2) AQ Engineer	Office Assistant (2) AQ Engineer (-1) AQ Specialist/Planner (2) Accountant <i>AQ Engineer (LT to REG) – no FTE impact</i>

SACRAMENTO METROPOLITAN

FY24/25 Proposed Budget

All Funds

FUND	Revenues	Expenditures	Fund Balance Source/(Use)	Fund Balance at 6/30/25
General	\$26,942,104	\$30,020,199	\$(3,078,095) ¹	\$24,362,314
Proprietary (Covell Building)	1,075,834	1,075,834	-	5,575,402
Special Revenue (Incentives)	31,022,194	36,501,422	(5,479,228) ¹	86,082,245
Total	\$59,040,132	\$67,597,455	\$(8,557,323)	\$116,019,961

¹Use of reserves to balance the General and Special Revenue Funds for FY23/24

General Fund Notable Changes

FY23/24 Approved to FY24/25 Proposed

REVENUES

- Increases: Federal & State grants, Stationary Sources fees
- Decreases: Fines/Penalties

EXPENDITURES

- Increases: FTE increase, 3.6% COLA, retirement and group insurance contributions, federal grant distributions, professional services for grant support (CERP, CC4A, CPRG)
- Decreases: IS Software as a Service, capital expenditures (lab equipment)

FY23/24 Proposed Budget

General Fund

GENERAL FUND	FY23/24 Approved	FY23/24 Projected	FY24/25 Proposed	Budget-to-Budget Change
Revenue	\$ 25,097,233	\$ 33,564,814	\$ 26,942,104	\$ 1,844,871
Expenditures	27,824,832	27,019,909	30,020,199	2,195,367
Surplus /(Deficit)	\$ (2,727,599)	\$ 6,544,905	\$ (3,078,095)	\$ (350,496)
Ending Fund Balance*	\$ 18,167,905	\$ 27,440,409	\$ 24,362,314	\$ 6,194,409

* Audited ending fund balance as of 6/30/23: \$20.9 million

Proprietary (Building) Fund Notable Changes FY23/24 Approved to FY24/25 Proposed

Building is currently for sale and FY24/25 budget is break even

REVENUES

- Decrease: Tenant lease income (lease expired); District lease revenue is slightly less in FY24/25 due to the reduction in building expenditures

EXPENDITURES

- Decrease: FY23/24 budget assumed renovation of building; with building held for sale no renovations are planned for FY 24/25

FY24/25 Proposed Budget Proprietary (Building) Fund

PROPRIETARY FUND	FY23/24 Approved	FY23/24 Projected	FY24/25 Proposed	Budget-to- Budget Change
Revenue	\$ 1,170,002	\$ 1,317,199	\$ 1,075,834	\$ (94,168)
Expense	1,870,002	1,044,406	1,075,834	(794,168)
Surplus /(Deficit)	\$ (700,000)	\$ 272,793	\$ -	\$ (700,000)
Ending Fund Balance*	\$ 4,602, 609	\$ 5,575,402	\$ 5,575,402	\$ 972,793

* Audited ending fund balance as of 6/30/23: \$5.3 million

SACRAMENTO METROPOLITAN



Special Revenue Fund Notable Changes FY23/24 Approved to FY24/25 Proposed

Grant revenues and expenditures fluctuate based on incentive activity

REVENUES

- Increase: State (CAP, Clean Cars for All, FARMER, Moyer)
- Decrease: Federal (SECAT)
- No Change: DMV\$2

EXPENDITURES

- Increases: Timing of incentive activity (Moyer, Clean Cars for All, Cal STA)

FY24/25 Proposed Budget

Special Revenue Fund

SPECIAL REVENUE FUND	FY23/24 Approved	FY23/24 Projected	FY24/25 Proposed	Budget-to-Budget Change
Revenue	\$ 30,840,382	\$ 58,964,635	\$ 31,022,194	\$ 181,812
Expenditures	29,032,269	23,267,141	36,501,422	7,469,153
Surplus /(Deficit)	\$ 1,808,113	\$ 35,697,494	\$ (5,479,228)	\$ (7,287,341)
Ending Fund Balance*	\$ 57,672,092	\$ 91,561,473	\$ 86,082,245	\$ 28,410,153

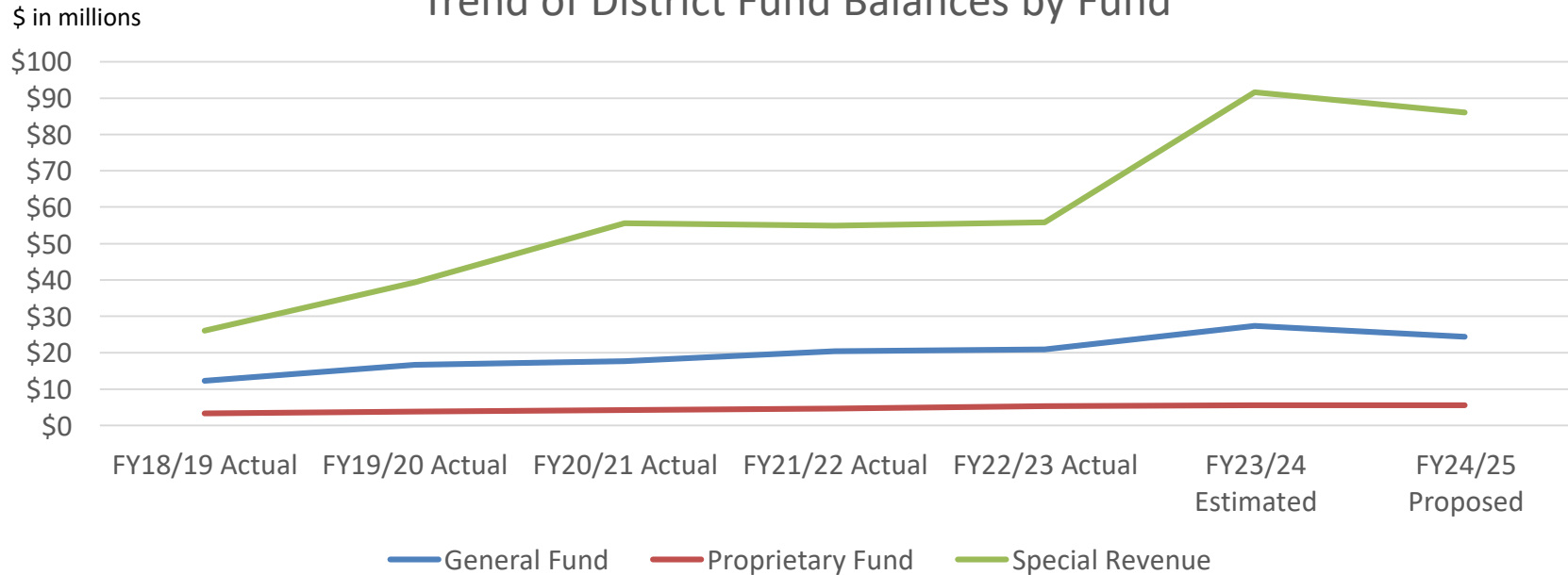
* Audited ending fund balance as of 6/30/23: \$55.9 million

FY24/25 Proposed Budget Fee Schedule

- CPI adjustment to various fees allowed by Rules
- Adjusted based on California CPI, All Urban Consumers
- Proposed FY24/25 increase of 4.17% effective July 1, 2024

Fund Balance Trends *

Trend of District Fund Balances by Fund



- Proposed General Fund Balance complies with the District's policy of an Operating Reserve equivalent to a minimum of 120 days of expenditures

Next Steps

- Request Budget and Personnel Committee to provide:
 - Guidance and feedback on the preliminary budget strategy and fee schedule
 - Direction to present the FY2024/25 Proposed Budget and Fee Schedule at a public hearing of the full Board of Directors on April 25, 2024

Thank You

Headquarters Update

March 28, 2024

Patrick Smith
Program Manager
Administrative Services

Purchase Offer

- Letter of Intent Exercised between Sac Metro Air District and Community Healthworks, a California nonprofit public benefit corporation
- Purchase and Sale Agreement (PSA) is being drafted
- Terms of the agreement include a provision for a limited leaseback period by the District of the third floor for up to 120 days following the close of escrow
- The search for a future home is ongoing

Estimated Timeline (contingent on execution of PSA)	
April 15	Execution of PSA
April 15 to June 14	Buyer's Due Diligence / Contingency Period
June 15	Buyer Waiver of Contingencies
July 1	Close of Escrow
July 1	Deadline for AQMD to Vacate Second Floor
July 1 to October 31	Leaseback Period – Third Floor
November 1	Deadline for AQMD to Vacate Building