

BOARD MEETING DATE: June 6, 2025

AGENDA NO. 10

PROPOSAL: Appropriate Funds from the General Fund Undesignated (Unassigned) Fund Balance to Cover Unbudgeted Salary and Overtime Costs

SYNOPSIS: This action is to appropriate \$2,650,000 from the General Fund Undesignated (Unassigned) Fund Balance into the FY 2024-25 General Fund Budget, Salaries and Employee Benefits Major Object. Due to overtime incurred for emergency and compliance incidents, as well as projected costs to maintain appropriate staffing levels, a budget transfer is necessary to fund salary-related costs for the remainder of the fiscal year.

COMMITTEE: Administrative, May 9, 2025; Recommended for Approval

RECOMMENDED ACTION:

Appropriate \$2,650,000 from the General Fund Undesignated (Unassigned) Fund Balance into the FY 2024-25 General Fund Budget, Salaries and Employee Benefits Major Object.

Wayne Natri
Executive Officer

AJO:SJ

Background

The FY 2024-25 Budget for District General – Salaries and Employee Benefits Major Object provides funding for employees’ salaries, including expenditures for overtime pay. For salaries, funding was budgeted based on the total number of authorized Full Time Employee (FTE) positions and a 13 percent vacancy rate. In terms of overtime, each department budgets overtime based on prior budgets and anticipated needs. Executive management determines budget expenditures for salaries to meet operational and program priorities through filling vacant positions, adding new positions, restructuring the division to increase operational efficiency, or assigning overtime work.

Throughout this fiscal year, there have been several events that have required large-scale responses from South Coast AQMD, such as the Eaton and Palisades wildfires, and the ongoing Chiquita Canyon Landfill odor issues. To properly respond to these and similar situations, significant after-hour and weekend staff time is needed for monitoring, lab analysis, complaint response, inspections, and permitting. In addition, throughout the year, permanent staff levels may dip below the budgeted vacancy rate, in anticipation of future vacancies, which adds unbudgeted costs. A budget transfer is being requested to address impacts to the Salaries and Employee Benefits Major Object fund in the General Budget.

Proposal

This item requests a transfer of \$2,650,000 from the General Fund Undesignated (Unassigned) Fund Balance into the FY 2024-25 General Fund Budget, Salaries and Employee Benefits Major Object to cover unbudgeted staffing costs. The funds transferred will be allocated as necessary to cover employee salary expenditures, including overtime pay, for the remainder of the fiscal year. Any unspent funds will be returned to the General Fund Undesignated (Unassigned) Fund Balance at the end of the fiscal year.

Resource Impacts

Sufficient funding is available in the General Fund Undesignated (Unassigned) Fund Balance.