

BOARD MEETING DATE: June 7, 2024

AGENDA NO. 7

PROPOSAL: Appropriate Funds from the General Fund Undesignated (Unassigned) Fund Balance for Administrative and Human Resources Related Expenditures, and Approve Amending Contracts with Outside Labor and Employment Counsel

SYNOPSIS: This action is to appropriate \$800,000 from the General Fund Undesignated (Unassigned) Fund Balance to the District General – Administrative and Human Resources FY 2023-24 and/or FY 2024-25 Budget in the amount of \$625,000, and the Administrative and Human Resources FY 2023-24 and/or FY 2024-25 division budget in the amount of \$175,000. This action is also to approve amending contracts with prequalified labor and employment counsel to add funds, up to \$200,000, as necessary.

COMMITTEE: Administrative, May 9, 2024; Recommended for Approval

RECOMMENDED ACTIONS:

1. Appropriate \$625,000 from the General Fund Undesignated (Unassigned) Fund Balance to District General – Administrative and Human Resources’ FY 2023-24 and/or FY 2024-25 Budget, Services and Supplies Major Object as follows:
 - a. Insurance Account in the amount of \$425,000; and
 - b. Professional and Special Services Account in the amount of \$200,000.
2. Appropriate \$175,000 from the General Fund Undesignated (Unassigned) Fund Balance to the Administrative and Human Resources FY 2023-24 and/or FY 2024-25 Budget, Services and Supplies Major Object; and
3. Authorize the Executive Officer to amend contracts with employment and labor relations legal counsel to add funding up to \$200,000 from the District General – Administrative and Human Resources Professional and Special Services Account, as necessary.

Wayne Nastri
Executive Officer

Background

The FY 2023-24 Budget for District General – Administrative and Human Resources (DG-AHR), Services and Supplies Major Object, Insurance Account provides funding for general South Coast AQMD overhead expenses. Accounts associated with general operations of South Coast AQMD are budgeted and tracked in District General.

Expenses paid from these accounts include such items as retirement payouts, principal and interest payments, insurance, utilities, taxes, housekeeping, security, and building maintenance and improvements.

Division budgets are allocated for expenditures specific to the operations and programs of the division. For Administrative and Human Resources (AHR), the division budget covers items relating to training, recruitment, safety measures, and specialized services contractors.

Due to unanticipated labor and employment related expenses and increased costs for ongoing items, such as insurance premiums, there is a need to transfer budget funds in order to pay for expenses incurred or to be incurred before the end of FY 2023-24.

Proposal

This item requests a transfer of \$625,000 from the General Fund Undesignated (Unassigned) Fund Balance to District General – Administrative and Human Resources' FY 2023-24 and/or FY 2024-25 Budget, Services and Supplies Major Object. Part of the transfer (\$200,000) will be directed to the Professional and Special Services Account to cover outside legal counsel expenses for employment and labor relations matters. These expenses provide South Coast AQMD with legal advice and counsel on labor negotiations, workplace issues, and new laws and regulations. To implement this allocation of funding, staff seeks authority for the Executive Officer to amend existing contracts with previously Board-approved law firms to add funding.

The remainder of the transfer amount (\$425,000) will go to the Insurance Account of District General – Administrative and Human Resources' FY 2023-24 and/or FY 2024-25 Budget, Services and Supplies Major Object. These funds will be used to cover increased costs for liability insurance premiums and for payments related to ongoing workers' compensation claims.

This action is also to appropriate \$175,000 from the General Fund Undesignated (Unassigned) Fund Balance to AHR's FY 2023-24 and/or FY 2024-25 Budget, Services and Supplies Major Object. For FY 2023-24, expenditures from this account include implementing new training programs (such as, de-escalation and situational awareness), adding employee development resources (LinkedIn Learning, for example), initiating engagement events, and continuing costs related to the implementation of South Coast AQMD's Covid Prevention Plan. In order to cover costs to be incurred for similar

employee resources for the remainder of the fiscal year, a budget transfer is requested for funding of additional training, services for health and safety services providers, recruitment software, and temporary employee costs to cover employees out on long-term medical leave.

Resource Impacts

Sufficient funds are available from the General Fund Undesignated (Unassigned) Fund Balance.