On September 16, 2021, Governor Newsom signed AB 361. This legislation amends the Brown Act to allow meeting bodies subject to the Brown Act to meet via teleconference during a proclaimed state of emergency in accordance with teleconference procedures established by AB 361 rather than under the Brown Act’s more narrow standard rules for participation in a meeting by teleconference. The Monterey County Health Officer has issued a recommendation for social distancing in legislative body meetings, so the first meeting after September 30, 2021, may be held without making findings. If the Committee desires to continue to meet remotely via teleconference after that first meeting, the Committee is required to make certain findings under AB 361 no later than 30 days after the first teleconference meeting held pursuant to AB 361, and every 30 days thereafter. Members of the public that wish to participate in a meeting may do so by joining the Zoom Webinar ID. Should you have any questions, please contact Sirie Thongchua, Executive Assistant, at 831-718-8028 or by email at sirie@mbard.org.

**To Provide Public Comment via Zoom teleconference/video conference:** During the meeting live verbal public comments may be made by members of the public joining the meeting via Zoom. Zoom access information is provided above. Use the “raise hand” feature (for those joining by phone, press *9 to “raise hand”) during the public comment period for the agenda item you wish to address. Members of the public participating via Zoom will be muted during the proceedings and may be unmuted to speak during public comment after requesting and receiving recognition by the Chair. Please clearly state your full name for the record at the start of your public comment.

**Before the Meeting:** Persons who wish to address the Committee for public comment of an item not on the agenda are encouraged to submit comments in writing to Sirie Thongchua, Executive Assistant, at sirie@mbard.org by 5:00 p.m. on Monday, April 18, 2022. Comments received will be distributed to the Committee prior to the meeting.
Summary of Actions

1. Call to Order - The meeting was called to order by Chair McShane at 12:38 p.m.

2. Roll Call - Present: Mary Ann Carbone, Steve McShane, Sam Storey. Absent: Ryan Coonerty, Chris Lopez.

3. Public Comment – None.

4. Accepted and Filed Summary of Actions of the February 16, 2022 Meeting
   Vote: Motion carried by unanimous roll call vote (summary: Yes = 3).
   Yes: Mary Ann Carbone, Steve McShane, Sam Storey.

5. Received Agenda Item #6, Annual Report by the Public Agency Retirement Services (PARS) of the District’s Other Post Employment Benefits (OPEB) Trust Account and Pension Rate Stabilization Trust program
   Receive report; no action required or taken.

6. Accepted Agenda Item #5, Fiscal Year 2022-23 Draft Budget Informational Summary and Status Report
   Accept report; no action required or taken.

7. Received Report and Recommended Approval to the Board of Directors to reinstate the Supervising Air Quality Planner Position and add an additional Planner
   Motion: Receive report and recommend approval to Board of Directors. Action: Approve. Moved by Sam Storey, Seconded by Mary Ann Carbone. Motion passed unanimously.
   Vote: Motion carried by unanimous roll call vote (summary: Yes = 3).
   Yes: Mary Ann Carbone, Steve McShane, Sam Storey.

8. Order for Adjournment – The meeting adjourned at 1:34 p.m.

Sirie Thongchua
Executive Assistant
Budget in Brief

- Total budget of $26.8 million
- Proposed permit fee increases of 4.2% based on December 2021 San Francisco-Oakland-Hayward Consumer Price Index (CPI)
- Proposed increase to City and County per capita fees - increase from $.48 to $.50
- Total of 33 FTEs, including proposed new Planning Supervisor, new Planner, fill one vacant Inspector position
- Fixed Asset Purchases:
  - Building improvements - $200,000
  - Permitting and Document Management software licenses- $104,006
  - Vehicles and equipment - $83,000
- Major grant programs continued: AB2766, AB8923, Carl Mayer, Woodstove Changeouts, Community Air Protection Program (CAPP) & Funding Agricultural Replacement Measures for Emission Reductions (FARMER)

Budget Goals

- Continue District’s mission of assuring healthful air quality in the Tri-County area (Monterey, Santa Cruz, and San Benito counties)
- Improve levels of service and provide education to the public and regulated community
- Reduce and control District’s costs

District Organization Chart FY 2022-23

Revenues by Category

Expenses by Category
**Operating Budget**

- Total Operating Budget of $7.4 million.
- Proposed permit fee increase of 4.2%, based on CPI.
- Proposed increase to City and County per capita fees – from $.48 to $.50. Estimated increase of $15,243.
- Salaries and benefits increase of about $440,000 over FY 21-22 budget due to 3% pay increase, proposed new staff, increase in WC and Retirement.
- Projected operating deficit of $174K.

**Non-Operating Budget**

- Total Non-Operating Budget of $19.3 million, which includes grant funding and other non-operating expenditures.
- Major Grant Programs - Expenditures:
  - AB2766 Program - $5.2 million for grants & $400,000 for electric vehicle incentives
  - AB923 Program - $3.8 million for grants & $1 million for EV Infrastructure Project
  - Carl Moyer Program - $3.1 million (ag and marine vessel engines)
  - Offsite Mitigation Grants - $975,000 (ag pumps & school buses)
  - Woodstove Change-outs - $200,000
  - CAPP Grants $2.5 million & FARMER $1.8 million
- OPEB Trust deposit - $45,000 to fund future retiree health benefits
- Pension Trust deposit - $75,000 to fund future retirement benefits

**Next Steps**

- April 20: Review with Budget and Personnel Committee
- May 18: First Hearing at Board of Directors mtg
- June 15: Second Hearing at Board of Directors mtg
  Scheduled for Adoption

**Questions or Comments?**
MONTEREY BAY UNIFIED AIR POLLUTION CONTROL DISTRICT

PARS 115 Trust – OPEB Prefunding Program & Pension Rate Stabilization Program Plan Client Review
April 20, 2022

CONTACTS

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Client Services Coordinator
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PARS IRS-APPROVED SECTION 115 TRUST

SUMMARY OF AGENCY’S OPEB PLAN

Plan Type:
IRB Section 115 Irrevocable Excludable Benefit Trust

Trustee Approach:
Discretionary

Plan Effective Date:
May 15, 2013

Plan Administrator:
Air Pollution Control Office

Current Investment Strategy:
Balanced HighMark PLUS Subject Strategy Pooled Account

AS OF MARCH 31, 2022:

Initial Contributions:
October 2012: $150,000

Additional Contributions:
$102,000

Total Contributions:
$252,000

Disbursements:
$50

Total Investment Earnings:
$410,091

Account Balance:
$7,202,205

SUMMARY OF AGENCY’S OPEB PLAN

HISTORY OF CONTRIBUTIONS, DISBURSEMENTS, AND TOTAL ASSETS AS OF MARCH 31, 2022:

- Growth in contributions over time
- Disbursements fluctuating
- Total assets increasing steadily
OPEB ACTUARIAL RESULTS

- We have received the actuarial report by MacLeod Watts dated September 24, 2021 with a measurement date as of June 30, 2020. In the table below, we have summarized the results.

<table>
<thead>
<tr>
<th>Demographic Study</th>
<th>Valuation Date: June 30, 2020</th>
<th>Measurement Date: June 30, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actives</td>
<td>30</td>
<td>30</td>
</tr>
<tr>
<td>Retirees</td>
<td>13</td>
<td>13</td>
</tr>
<tr>
<td>Total</td>
<td>43</td>
<td>43</td>
</tr>
</tbody>
</table>

OPEB ACTUARIAL RESULTS

<table>
<thead>
<tr>
<th>Liability Type</th>
<th>Valuation &amp; Measurement Dates: June 30, 2021, Discount Rate: 2.0%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total OPEB Liability (TOL)</td>
<td>$1,239,797</td>
</tr>
<tr>
<td>Actuarial Discount Liability (ADL)</td>
<td>$1,175,789</td>
</tr>
<tr>
<td>Retirees Arrear Liability (RA)</td>
<td>$65,000</td>
</tr>
<tr>
<td>Net OPEB Liability (NOL)</td>
<td>$73,788</td>
</tr>
<tr>
<td>Actuarially Determined Liability (ADL)</td>
<td>$72,518</td>
</tr>
<tr>
<td>Actual Revenue Contributions (ARC)</td>
<td>$48,025</td>
</tr>
<tr>
<td>Annual Benefit Payments (PAYP)</td>
<td>$43,013</td>
</tr>
</tbody>
</table>

PENSION FUNDING STATUS

As of June 30, 2021, Monterey Bay Unified Air Pollution Control District’s CalPERS pension plan is funded as follows:

<table>
<thead>
<tr>
<th>Combined Miscellaneous Group</th>
<th>Valuation as of June 30, 2021</th>
<th>Valuation as of June 30, 2020</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actuarial Liability</td>
<td>$343,714</td>
<td>$352,214</td>
<td>3.0% ↑</td>
</tr>
<tr>
<td>Assets</td>
<td>$222,346</td>
<td>$222,846</td>
<td>0.2% ↑</td>
</tr>
<tr>
<td>Unfunded Liability</td>
<td>$111,368</td>
<td>$129,374</td>
<td>8.6% ↓</td>
</tr>
<tr>
<td>Funded Ratio (F)</td>
<td>73.0%</td>
<td>73.3%</td>
<td>0.3% ↓</td>
</tr>
<tr>
<td>Employer Contribution Amount</td>
<td>$443,538</td>
<td>$445,257</td>
<td>0.2% ↓</td>
</tr>
<tr>
<td>Employer Contribution Amount - Projected*</td>
<td>$443,538</td>
<td>$445,257</td>
<td>0.2% ↓</td>
</tr>
</tbody>
</table>

SUMMARY OF AGENCY’S PENSION PLAN

- Plan Type: IRC Section 115 Irrevocable Exclusive Benefits Trust
- Trustee Approach: Discretionary
- Plan Effective Date: March 21, 2018
- Plan Administrator: Air Pollution Control Officer
- Current Investment Strategy: Moderately Conservative HighMark PLUS (Active) Strategy Fixed Account

AS OF MARCH 31, 2022:

- Initial Contributions: June 2020: $50,000
- Additional Contributions: $0
- Total Contributions: $50,000
- Disbursements: $0
- Total Investment Earnings: $50,000
- Account Balance: $50,000
MONTEREY BAY UNIFIED AIR POLLUTION
CONTROL DISTRICT
For Period Ending March 31, 2022

Port Name | 1-Year Return | 3-Year Return | 5-Year Return | 10-Year Return | 15-Year Return | 20-Year Return |
---|---|---|---|---|---|---|
Vanguard Total Stock Index | 5.22% | -0.91% | 0.57% | 2.51% | 11.43% | 8.92% |
BlackRock Total Bond Index | -0.29% | -0.16% | -0.61% | 2.16% | 3.08% | 2.95% |
State Street Bond Index | -0.30% | -0.15% | -0.60% | 2.11% | 3.04% | 2.93% |
Vanguard Total Bond Index | -0.38% | -0.20% | -0.66% | 1.47% | 1.63% | 1.55% |
William Street Total Equity Index | -0.86% | -0.26% | -0.65% | 2.04% | 3.64% | 3.34% |
Vanguard High Yield Bond | -0.99% | -0.20% | -0.61% | 1.99% | 3.21% | 2.96% |
Vanguard Total Large Cap Index 8 Index | -0.89% | -0.20% | -0.61% | 1.99% | 3.21% | 2.96% |

Source: Q2 earnings. Returns are estimates.

Investment objectives:
- Reduce returns on a year-to-year basis.
- Focus performance on an indication of future results.
- The information provided has been obtained from sources believed to be accurate and reliable. Guarantees are not FDIC insured, have no bank guarantee and may lose value.