

AGENDA



LRAPA
Lane Regional Air Protection Agency

LANE REGIONAL AIR PROTECTION AGENCY
BUDGET COMMITTEE MEETING
MONTHLY BOARD OF DIRECTORS MEETING
THURSDAY MARCH 9, 2023
11:00 A.M

Virtual Participation

By Video: <https://us02web.zoom.us/j/82551664224>

By Audio: +1 253 215 8782

Meeting ID: 825 5166 4224

In-Person Participation

Jesse Maine Meeting Room
Springfield City Hall
225 Fifth St. Springfield, OR 97477

NOTE: The Jesse Maine meeting room has space to accommodate 12 in-person Board and Budget members. Currently the Board and Budget committee is a 14-member body.

BUDGET COMMITTEE MEETING

Start times for agenda items are approximate.

1. (11:00 a.m.) CALL TO ORDER
2. (11:05 a.m.) INTRODUCTIONS

ACTION ITEMS

3. (11:10 a.m.) ELECTION OF BUDGET CHAIR & VICE-CHAIR FOR 2023

REPORTS

4. (11:15 a.m.) BUDGET PRESENTATION [View Proposed Budget](#)

DISCUSSION

5. (11:30 a.m.) DETAILED Q&A
(With follow-up questions to be addressed in weekly "Friday updates")
6. (12:30 p.m.) ADJOURNMENT OF BUDGET COMMITTEE MEETING

[15-MINUTE BREAK]



BOARD OF DIRECTORS MEETING

Start times for agenda items are approximate.

1. (12:45 p.m.) CALL TO ORDER
2. (12:48 p.m.) ADJUSTMENTS TO THE AGENDA
3. (12:50 p.m.) PUBLIC PARTICIPATION (Time limited to three minutes per speaker)
 - A. Comments on an item on today's agenda.
 - B. Comments on a topic not included on today's agenda.

This is an opportunity for the public to bring up unscheduled items. The board may not act at this time but, if it deems necessary, place such items on future agendas. Issues brought up under this agenda item are to be limited to three minutes' speaking time by the person raising the issue. If additional time is necessary, the item may be placed on a future agenda.

C. Comments from Board Members

This is an opportunity for Board Members to bring up unscheduled items regarding today's public comments, and/or written/electronic comments they have received. The board may not act at this time but if it deems necessary place such items on future agendas.

ACTION ITEMS

4. (12:55 p.m.) CONSENT CALENDAR
 - A. Approval of minutes for February 8, 2023, Board of Directors meeting [View Material](#)
 - B. Approval of Expense Reports February 2023 [View Material](#)

REPORTS

5. (1:00 p.m.) AUDIT REPORT
6. (1:10 p.m.) CITIZEN ADVISORY COMMITTEE [View Material](#)
7. (1:15 p.m.) DIRECTOR'S REPORT, AGENCY ACTIVITIES - FEB. 2023 [View Material](#)

DISCUSSION

8. (1:20 p.m.) OLD BUSINESS
Status Update: Work Session Subcommittee
9. (1:25 p.m.) NEW BUSINESS
10. (1:30 p.m.) ADJOURNMENT OF BOARD MEETING

We endeavor to provide public accessibility to LRAPA services, programs, and activities for people with disabilities. People needing special accommodations to participate in LRAPA public hearings such as assistive listening devices or accessible formats such as large print, Braille, electronic documents, or audio tapes, should please contact the LRAPA office as soon as possible, but preferably at least 72 hours in advance. For people requiring language interpretation services, including qualified ASL interpretation, please contact the LRAPA office as soon as possible, but preferably at least 5 business days in advance so that LRAPA can provide the most comprehensive interpretation services available. Please contact the LRAPA Nondiscrimination Coordinator at accessibility@lrapa.org or by calling the LRAPA office at 541-736-1056.

Nos esforzamos por proporcionar accesibilidad pública a los servicios, programas y actividades de LRAPA para personas con discapacidades. Las personas que necesiten adaptaciones especiales, como dispositivos de asistencia auditiva, formatos accesibles como letra grande, Braille, documentos electrónicos o cintas de audio, deben comunicarse con la oficina de LRAPA con al menos 72 horas de anticipación. Para las personas que requieran servicios de interpretación de idiomas, incluyendo la interpretación calificada de ASL, comuníquese con la oficina de LRAPA al menos con 5 días laborables de anticipación para que LRAPA pueda proporcionar los servicios de interpretación que sean lo más completos disponibles. Para todas las solicitudes, envíe un correo electrónico al Coordinador de Antidiscriminatoria de LRAPA a accessibility@lrapa.org o llame a la oficina de LRAPA al 541-736-1056.

MINUTES
LANE REGIONAL AIR PROTECTION AGENCY
BUDGET COMMITTEE MEETING
THURSDAY MARCH 09, 2023
MEETING VIA ZOOM / SPRINGFIELD CITY HALL

ATTENDANCE

Present: Bryan Cutchen, Mike Fleck, Lisa Arkin, Susannah Sbragia, Steve Dietrich, Robert Ball, Joe Pishioneri, Steve Schmunk, Paul Metzler, Travis Knudsen, Ruth Linoz, Trinidad Cardenas, Dawn Kinyon, Howard Saxion, Jeannine Parisi, Matt Keating.

Absent: Adam Rue, David Loveall

1. Call to Order

Mr. Cutchen called the meeting of the Lane Regional Air Protection Agency (LRAPA) Budget Committee to order at 11:00 AM.

2. Introductions

Committee members were introduced, and a quorum was established.

ACTION ITEMS:

3. Election for Budget Chair and Vice-chair for 2023

Mr. Knudsen stated that the 2022 LRAPA Budget Committee Chair was **Adam Rue**, and the Vice-chair was **Steve Schmunk**. He noted that **Mr. Rue** was not in attendance.

Mr. Pishioneri nominated **Mr. Schmunk** for the position of Chair.

Mr. Schmunk accepted the nomination.

MOTION: Mr. Pishioneri moved, and **Mr. Fleck** seconded to appoint **Steve Schmunk** as the LRAPA Budget Committee Chair. The motion passed unanimously.

Ruth Linoz Joined the meeting at 11:15 AM.

Mr. Fleck nominated **Ms. Linoz** for the position of Vice-chair.

Ms. Linoz accepted the nomination.

MOTION: Mr. Fleck moved, and **Mr. Schmunk** seconded to appoint **Ruth Linoz** as the LRAPA Budget Committee Vice-chair. The motion passed unanimously.

The affirmed Chair and Vice-chair took effect immediately.

4. Budget Presentation

Mr. Dietrich gave a presentation about what the LRAPA budget entailed. He began with a brief history about LRAPA and stated the following:

- LRAPA was formed in 1968, one year before the establishment of the Oregon Department of Environmental Quality (DEQ).
- LRAPA was the only local air agency in the state of Oregon at the time of this meeting.
- LRAPA partners were identified as Lane County, and the cities of Cottage Grove, Eugene, Oakridge, and Springfield.

The LRAPA Mission:

To protect public health, quality of life, and the environment as a leader and advocate for the continuous improvement of air quality in Lane County.

The LRAPA General Fund Programs:

- Permitting – Air Containment Discharge Permits (ACDP), Greenhouse Gas Reporting, and Special Activity (Permit Modification) Fees.
- Cleaner Air Oregon Program
- Inspection of Enforcement
- Asbestos
- Outdoor Burning
- Public Education
- Home Wood Heating Program
- Monitoring and Reporting
- Administration
- Board of Directors' Support

He stated that increased wildfire emissions made it difficult to maintain air quality and meet the Environmental Protection Agency's (EPA) standards. He added that the complex nature of General Fund Programs required a lot of staff time and public involvement, which presented staffing and financial challenges.

LRAPA Opportunities:

- Expand Public Engagement and Education
- Increase in Industrial Activity, Resulting in Increased Revenues.
- Fee Methodology Adjustments and Grant Opportunities
- Use of Legislative Funding to Perform Air Toxics Sampling in New Areas
- Upgrades to the Monitoring Network for Real-time Data

The Special Revenue Fund supported the Title V Program, which issued operating permits, conducted inspections, negotiated compliance, and evaluated control methods, practices, and equipment for major sources of air emissions in Lane County. Over the years, the number of facilities producing major air emissions had decreased, resulting in less revenue for LRAPA. At the time of this meeting, revenues did not cover the costs of the Title V Program.

Program Opportunities:

- Explore the Fee Structure and Other Revenue Possibilities
- Review allocated funds.

Grant Funding: Targeted Airshed Grants (TAG)

LRAPA received two TAG grants from the EPA that spanned a seven-year period. These grants were designed to reduce wood smoke emissions from the use of wood stoves.

TAG One

- Five-year Grant
- Began in FY2020
- \$4, 938,190.00
- Focus on cities of Oakridge and Westfir
- Reduce Emissions from Wood Smoke
- Provide Air Filtration to Vulnerable Populations
- Provide a Community Firewood Program
- Support Local Opacity Code Enforcement

TAG Two

- Two-year extension to TAG One
- Began in FY2022
- \$2,739,425.00
- Additional Emission Reduction from Wood Smoke
- Provide Chimney Sweep Vouchers, Stove Thermometers, and Moisture Meters
- Install an Electronic Reader Board in Oakridge

Enterprise Funds: AirMetrics

AirMetrics partnered with domestic and international customers and maintained a distributor network in 15 countries. Funding for the AirMetrics program was obtained by the following:

- Sale of Portable Air Sampler
- Consumable Sale of Parts and Accessories
- Calibration Fees
- Rental Services

Program Challenges:

- New Competitors / New Technology
- Decrease in Demand from Asian Market
- Staffing for the Program

Program Opportunities:

- New Markets
- Expanded Services and Partnerships
- Exploring Technology Grants for Product Development
- Data Utilization

FY2024 Proposed Budget

Ms. Sbragia presented the FY2024 proposed budget to Committee members. She began with the revenue assumptions and stated the following:

- ACDP program fees would increase by four percent.
- State funding was approved for a two-year budget period FY2021 to FY2023.
- Local partner dues were set at the FY2022 rate and would adjust based on the Consumer Price Index (CPI) and population growth.
- Fees for Special Revenue Funds were expected to increase by \$90,000.

- Grants were reimbursed based on projected spending.
- A small increase in the EPA base grant funding was projected at \$3,400.00.
- AirMetrics funds were projected to slightly increase for FY2023 and FY2024.

Budget Assumptions: Expenditures

- Two Percent Market Adjustment Increase for Wages
- Two Percent Increase for Materials and Services
- Training and Professional Dues Based on Projected Needs
- \$130,000.00 for Building and Parking Lot Improvements

She stated the total amount of revenue for FY2024 was \$5,126,921.00. She added that a five-year budget forecast for funding would be included in future budgets beginning in FY2025. She shared an example of the five-year budget forecast with the committee.

5. Detailed Q&A

Mr. Fleck asked if a separate five-year budget forecast for the agency could be created.

Ms. Sbragia replied that she could put one together at the committee's request.

Vice-chair Linoz said it would be helpful to understand the operational triggers regarding increased or decreased staffing and funding. She referenced a trend in increased workload and the staffing challenges within LRAPA.

Mr. Dietrich said the finance department would provide more detail for operational triggers within the budget and noted that a financial dashboard outlining LRAPA goals would be presented to the Committee in April and October of 2023.

Matt Keating joined the meeting at 11:40 AM.

Mr. Pishioneri said he would like to see the self-imposed requirements and what it takes to maintain them operationally, in addition to the requirements mandated by law included in the five-year budget forecast.

Mr. Saxion stated that he would like to see a five-year budget forecast that presumed there was no federal or state funding because predicting grant funding was highly speculative except for funds LRAPA typically received from the Oregon DEQ.

Chair Schmunk asked if the FY2024 budget reflected \$70,000.00 of projected new business for LRAPA.

Ms. Sbragia said that billing for new businesses would begin in August and confirmed that \$70,000.00 was included in the FY2024 budget.

Mike Fleck inquired about the decrease in personnel salaries and the increase in personnel benefits and payroll tax listed in the General Fund Expenditures.

Mr. Cutchen stated that the decrease was caused by staffing changes.

Ms. Sbragia could not identify the reason for the increase in personnel benefits and payroll tax at the time of this meeting but noted that she would research it and let **Mr. Fleck** know.

Mr. Ball inquired about the increase in Fares and Transportation listed in the General Fund Expenditures.

Ms. Sbragia stated that the increase reflected employee travel expenses for training in Utah during October of 2023.

Mr. Dietrich noted with COVID mandates lifted, LRAPA was doing more in-person training, which required travel.

Ms. Parisi asked what the allocated funds for public education represent.

Mr. Knudsen replied that a large portion of the public education funds represent the LRAPA informational packets. He added that packets were sent to anyone who bought a single-family residential property in Lane County to inform them about LRAPA and their services.

Mr. Saxion asked at what point would a decision be made as to how LRAPA would proceed with the AirMetrics Program, specifically regarding technical upgrades.

Mr. Dietrich stated that an AirMetrics business plan was presented in 2022 and new business plans would be presented every year going forward. He added that considerations were being made regarding what was presented last year.

Mr. Pishioneri inquired about the FY2022 – 2023 AirMetrics Annual Operating Surplus / Deficit amount and noted there was a deficit in excess of \$50,000.00.

Ms. Sbragia replied that the deficit amount was an estimate but noted that expenditures were roughly \$59,000.00 more than actual revenue received.

Mr. Pishioneri questioned why LRAPA was going forward with AirMetrics if the outflow of funds could potentially decrease the balance to zero and asked if it was better to cut losses before that happened.

Ms. Sbragia stated that in analyzing the budget, she did not think LRAPA was anywhere near needing to cut the AirMetrics Program.

Mr. Dietrich speculated that the AirMetrics deficit could be attributed to economic impacts from COVID.

Mr. Cardenas stated that the success of AirMetrics was largely based off the Asian market, which took a downturn in the past three years. He added AirMetrics was looking to expand into the South American mining industry and was hopeful the trending deficit would not continue.

Ms. Parisi said it may be helpful to expand the AirMetrics budget to gain a better sense of expenditures related to revenue and fixed costs. She then asked how the projected AirMetrics fund balance amount was determined.

Mr. Cardenas replied that it was a conservative two percent increase based on increased website traffic and noted that the new website was near completion.

Ms. Parisi asked for clarification regarding the decrease in AirMetrics expenditures.

Mr. Cardenas replied that he would need to research the reasoning for the decrease in expenditures and report back on that.

Mr. Fleck stated that without seeing the balance sheet, it was difficult to determine the reasoning for the decrease. He then inquired about the reason why AirMetrics and Title V were transferring money to the General Fund.

Ms. Sbragia confirmed that the reasoning for the transfers was to cover administrative costs. She added that she would examine the methodology of the transfers to determine if it was favorable or not.

Mr. Pishioneri said regarding administration costs, he would like to know how often the transfers were assessed to determine if AirMetrics was a burden to LRAPA.

Ms. Sbragia said she would analyze the transfers yearly, prior to presenting the budget.

Chair Schmunk questioned whether LRAPA should be involved with a business enterprise and stated his concerns regarding AirMetrics causing LRAPA to stray from their core mission. He stated that if AirMetrics would continue, research and development (R and D) might be helpful in addition to a marketing strategy for the program and that those expenses should be reflected in the budget.

Mr. Cardenas said that adding R and D and marketing expenses to the budget would make the fund balance go down but noted that he was glad to hear he had support for such expenses. AirMetrics was an Enterprise Fund within a governmental agency. In the state of Oregon, an Enterprise Fund is defined as a fund that provides goods and services to the general public, where all or most of the costs involved are primarily paid for in the form of charges to the users of such services. For LRAPA, that meant the costs associated with AirMetrics were expected to be covered by sales and services offered by the business activities.

Mr. Ball said the pricing of AirMetrics products and services should be analyzed and possibly restructured to help aid the deficit.

Mr. Cardenas reminded the Committee that AirMetrics was not relying on money from the LRAPA General Fund.

Mr. Keating stated that he was concerned about what seemed to be a desire from some committee members to end a 30-year program that was designed to provide critical ambient air sampling. He added that he was hopeful and excited about international opportunities and expressed a desire to learn more about them in addition to the potential for new domestic partnerships. He hoped that the Committee would learn more about the history of AirMetrics and take into consideration the opportunities for AirMetrics to grow in the future.

Vice-chair Linoz said she was glad to hear that the business plan would be updated and presented again but inquired whether it would be completed before LRAPA Board members approve the FY2024 budget in May of 2023.

Mr. Dietrich stated the business plan would not be completed by May of 2023.

Vice-chair Linoz stated that the Committee should become familiar with the 2022 business plan before their next meeting to ensure that the expenditures listed in the FY2024 budget were in line with the business plan.

Chair Schmunk said LRAPA Board members need to decide if they want to continue the AirMetrics program or not.

Mr. Fleck added that if LRAPA was going to continue the AirMetrics program, they needed to think of ways to be competitive again. He said he was not ready to make any decision on whether to end the AirMetrics program or not and noted the large fund balance.

Mr. Pishioneri said he would like to see the full-time equivalent (FTE) for each LRAPA fund and stated that seeing those numbers could eliminate a lot of questions. He noted that adding that task to the budget should have consensus from the other board members.

Ms. Parisi inquired the reason why Local Dues were the same for FY2022 – FY2023 and FY2023 – FY2024 as listed in the General Fund and noted the decision by LRAPA Board Members to raise Local Dues at a fixed rate of 3.3 percent. She added that this should be checked for accuracy in addition to the

amount listed for Employee Benefits / Health Insurance, which also stayed the same. She then asked where the Cleaner Air Oregon permit fees were listed within the budget and suggested that should be its own line item.

Ms. Sbragia replied that the Cleaner Air Oregon permit fees were listed on page 19 under Permit Fees on their own line.

Vice-chair Linoz noted that there were 65 sources listed as Cleaner Air Oregon permit holders, which was a smaller number than the previous year, yet the revenue amount was the same for FY2022 – FY2023 and FY2023 – FY2024.

Ms. Sbragia stated that she would check this section of the budget for accuracy and report back later.

Chair Schmunk asked for clarification regarding the word equity on the front cover of the budget.

Mr. Knudsen replied that the word equity acknowledged that LRAPA services are for all residents of Lane County regardless of socioeconomic or racial standing. It also recognized that some residents of Lane County may be exposed to more air pollution than others in terms of industrial or wildfire pollution. LRAPA ensured that their services were equitable across all of Lane County and that decisions were made to target those with the greatest environmental or social vulnerability.

Mr. Dietrich elaborated and said that LRAPA looked at the entire airshed to determine air quality based on the science of LRAPA air monitors and data collected from regulated sources. The causes of poor air quality were largely caused by industry and wildfires. LRAPA services were not based on where people live or their economic standing within the community.

Ms. Arkin inquired about the Areas of Opportunity on page 12 and asked for clarification.

Mr. Knudsen replied that LRAPA was exploring the possibility of acquiring some of the Environmental Justice Government to Government grant funds in conjunction with Southern Willamette Solutions. The intent there was to develop a collaborative approach in and around the Oakridge area to fire harden and smoke proof homes using grant funding. He noted another area of opportunity, not related to grant funds, was to work with the EPA and DEQ to potentially change rules on a federal level and make it easier and less expensive for people to take advantage of technological advancements, like air curtain incinerators for example.

Mr. Pishioneri stated that **Terry Fitzpatrick** had resigned from the LRAPA Board due to medical issues.

There were no other comments or questions.

Mr. Knudsen stated that he realized **Mr. Rue**'s absent attendance was due to Mr. Knudsen's mistake by sending meeting information to Mr. Rue's EWEB email address, that he no longer has as he is no longer employed at EWEB. Mr. Knudsen stated Mr. Rue informed LRAPA of his employment change and provided a new email address, which Mr. Knudsen had forgotten about. Mr. Knudsen apologized to Mr. Rue and the Committee for the mistake and absence.

6. Adjournment

Chair Schmunk adjourned the meeting at 12:47 PM.

(Minutes recorded by Diana Pamir Tisdale)