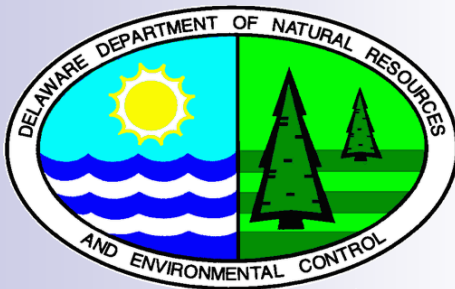


2018-2020 Title V Fee Meeting



April 7th, 2017

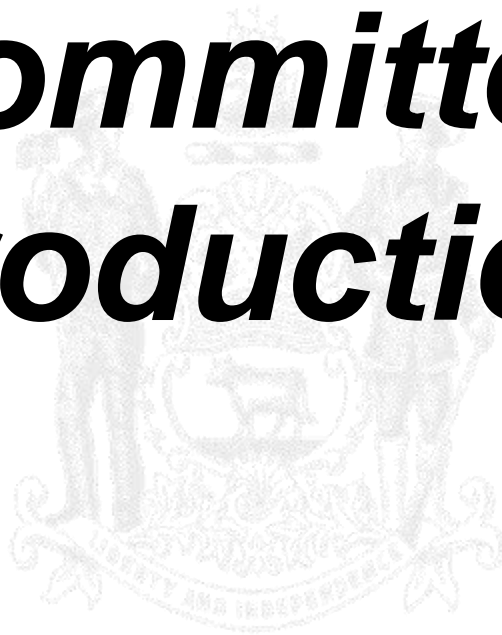
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Agenda

- Introductions 5 Min.
- Management Review Wrap-up 30 Min.
- Revenue Requirements Recap 15 Min.
- Carryover Considerations 15 Min.
- Legislation Revisions 30 Min.
- Action Items 10 Min.
- Next Meeting Scheduling 5 Min.
- Closing Comments 5 Min.



Committee Introductions



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TV Management Review Wrap-Up

- Committee Feedback?
- Questions?
- Recommendations?
- Next Steps?



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2018-2020 Revenue Requirements

Recap



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Title V Billing, Revenue & Expenses

	2013	2014	2015
Total Billing	\$3,901,504	\$3,684,643	\$3,159,139
Total Title V Fee Revenue	\$4,017,274	\$3,043,280	\$3,145,235
Total Expenses	\$3,248,203	\$3,088,668	\$2,979,694

- Historically, TV expenses have been expended in the following categories:
 - Personnel (72%)
 - Contractual (25%)
 - Supplies, travel and energy (3%)



2013-2015 Actual Expenses

- Based on 3-year period with complete cost data

Note: Calculation does not include inflation factors

2013 - 2015 Actual TV Expenses					
	CY2013	CY2014	CY2015	Average	Percent
Personnel	2,299,456	2,403,034	2,033,375	2,245,288	72.25%
Contractual	858,949	615,090	841,589	771,876	24.84%
Supplies	78,942	59,675	96,732	78,450	2.52%
Travel	9,103	11,828	8,403	9,778	0.31%
Capital	-	5,530	-	1,843	0.06%
Energy	1,434	-	-	478	0.02%
Total	3,247,884	3,095,157	2,980,099	3,107,713	100.00%



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2018-2020 Fee Considerations

- DAQ Salaries increased 1.5%, October 1st, 2016
 - Not factored in 2013-2015 averages
 - Option for 2017 CPI increase
- Approved Hiring for Two Additional Positions
 - Environmental Engineer VI (\$115,000)
 - Environmental Scientist II (\$65,000)
 - Total Salary Adjustment \$180,000
- Apply Historical TV Percentage @ 46.73%
 - TV Share = \$84,000



2018 – 2020 Revenue Requirements

2018-2020 Revenue Requirements	
2013-2015 Average Program Costs	\$3,108,000.00
Staffing Level Adjustment (EE VI & ES II)	\$84,000.00
Minimum Annual Revenue Requirements	\$3,192,000.00

Target DAQ Revenue Requirement = \$3,200,000



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Comparing Current Fee Tables w/2018 Projected Facility list

Current Fee Tables (2015-2017)	
*Estimated Revenue Generated	\$3,245,550.00
2018-2020 Revenue Requirements	\$3,200,000.00
Difference	+ \$45,550.00

* Includes Chemours Edgemoor Facility Closure

2018 – 2020 Fee Tables Remain the Same



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TV Account



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2016 TV Account Activity

MONTH	EXPENSES						INTEREST	TOTAL REVENUE
	Salary	Energy	Travel	Contractual	Supplies	Capital		
January	\$174,545.19	\$ -	\$26.40	\$18,011.15	\$581.26	\$ -	\$2,048.56	\$5,548.56
February	\$ 155,267.28	\$ -	\$1,484.79	\$69,907.09	\$9,471.43	\$ -	\$1,967.23	\$1,674,444.53
March	\$168,336.73	\$ -	\$1,022.59	\$126,510.27	\$3,716.51	\$ -	\$2,842.28	\$871,540.18
April	\$ 257,716.16	\$ -	\$1,744.04	\$11,737.12	\$2,034.65	\$ -	\$3,641.86	\$332,987.31
May	\$169,015.75	\$ -	\$2,545.01	\$46,718.74	\$13,193.43	\$ -	\$4,357.87	\$25,797.87
June	\$ 207,959.06	\$ -	\$(2,446.62)	\$117,032.36	\$57,280.14	\$35,538.00	\$4,382.23	\$80,175.63
July	\$163,444.57	\$ -	\$539.97	\$ 28,585.74	\$6,059.15	\$ -	\$4,341.24	\$53,513.19
August	\$175,051.09	\$ -	\$1,383.22	\$47,634.46	\$1,253.47	\$ -	\$4,562.43	\$5,357.88
September	\$205,652.21	\$ -	\$4,271.81	\$93,647.61	\$10,320.62	\$ -	\$4,667.60	\$44,407.05
October	\$154,106.48	\$ -	\$884.17	\$ 54,943.34	\$(6,285.77)	\$ -	\$4,193.14	\$73,613.59
November	\$190,120.25	\$ -	\$2,228.72	\$149,526.01	\$488.50	\$ -	\$4,295.02	\$7,105.67
December	\$178,915.82	\$ -	\$313.75	\$ 28,380.96	\$1,549.22	\$ -	\$ 3,783.78	\$6,780.28
Sub-Totals	\$2,200,130.59	\$ -	\$13,997.85	\$792,634.85	\$ 99,662.61	\$35,538.00		
Totals	\$ 3,141,963.90						\$3,181,271.74	



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Carryover Considerations

- 2006 Program Subsidy Reimbursement
- Pending SFY 2016 & 2017 Encumbrances
- Impact of SFY 2017 State Budget
 - Undetermined?
- Allowance for Engineer Salary Leveling
- Projections include 2% per year CPI
- Program Reinvestment Opportunities



TV Carryover Balance 12/31/2016

2015 Carryover	\$4,445,358.59
2016 Revenue	\$3,181,271.81
Sub-Total	\$7,626,630.40
2016 TV Expenses	(\$3,141,963.90)
Fund Transfer (Reimbursement)	(\$477,900.00)
*Current Encumbrances (SFY2016-2017)	(\$400,000.00)
Sub-Total	\$3,606,767.00
JFC/Budget Discussion	(\$??????.??)
Actual Carryover	\$?,???,???.??

* Estimated Encumbrances



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Engineer Salary Leveling

- DeIDOT Engineers Authorized Blanket Salary Adjustments (November 2016)
 - Retention, Recruitment, Competitive Salaries

Job Classification: The grouping of individual jobs into classes based on the type of work, similar duties and responsibilities and job requirements.

Engineer Class	DNREC Class Code	DeIDOT Class Code	Difference
I	MFBC01	MFBC01	=
II	MFBC02	MFBC02	=
III	MFBC03	MFBC03	=
IV	MFBC04	MFBC04	=
V	MFBC05	MFBC05	=
VI	MFBC06	MFBC06	=

Essential Functions: The fundamental job duties of a position.



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DNREC Engineer Essential Functions

- Essential functions are fundamental, core functions common to all positions in the class series and are not intended to be an exhaustive list of all job duties for any one position in the class. Since class specifications are descriptive and not restrictive, incumbents can complete job duties of similar kind not specifically listed here.
- Drafts, develops and modifies engineering designs, plans and specifications.
- Reviews permit applications, blueprints and/or designs prepared by others to ensure compliance with specifications and regulations.
- Applies the principles and theories of science and mathematics to research and develop solutions to technical problems.
- Plans and conducts field studies, surveys, research and development projects, inspections and/or investigations to collect data and ensure conformance to state/federal laws and regulations.
- Tests or evaluates materials, equipment, systems and facilities.
- Plans and coordinates engineering projects.
- Reviews, analyzes and reports on the status of projects and/or regulatory conformance.
- Develops cost estimates for project time and materials.
- Provides technical guidance and training to technical staff.



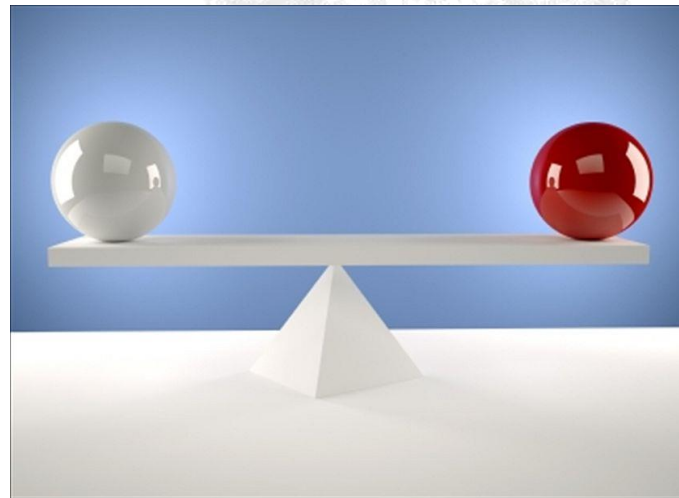
DELDOT Engineer Essential Functions

- Essential functions are fundamental, core functions common to all positions in the class series and are not intended to be an exhaustive list of all job duties for any one position in the class. Since class specifications are descriptive and not restrictive, incumbents can complete job duties of similar kind not specifically listed here.
- Drafts, develops and modifies engineering designs, plans and specifications.
- Reviews permit applications, blueprints and/or designs prepared by others to ensure compliance with specifications and regulations.
- Applies the principles and theories of science and mathematics to research and develop solutions to technical problems.
- Plans and conducts field studies, surveys, research and development projects, inspections and/or investigations to collect data and ensure conformance to state/federal laws and regulations.
- Tests or evaluates materials, equipment, systems and facilities.
- Plans and coordinates engineering projects.
- Reviews, analyzes and reports on the status of projects and/or regulatory conformance.
- Develops cost estimates for project time and materials.
- Provides technical guidance and training to technical staff.



Comparison

- Same Classification
- Same Job Codes
- Same Essential Functions
- Unequal Compensation



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Engineer Salary Leveling

- Mitigates DeIDOT Recruitment & Retention Challenges
- Creates DNREC Recruitment & Retention Problem
 - Current & Future Talent Expected to Pursue Higher Salary

Engineer Class	DNREC Baseline Salary	DeIDOT Baseline Salary	Salary Difference	% Increase
I	\$42,134	\$50,560	\$8,426	20%
II	\$48,242	\$55,509	\$7,267	15%
III	\$55,230	\$61,636	\$6,406	12%
IV	\$63,235	\$74,195	\$10,960	16%
V	\$72,396	\$80,793	\$8,397	11%
VI	\$77,468	\$88,830	\$11,362	15%



Engineer Salary Leveling

Projected Engineer Salary Leveling										
Positions	Pay Grade	# in Grade	100% Mid-Point Salary	*Current Salary @ 77%	New Salary	Salary Increase	Fringe @ 31.49%	Grade Sub-Total	Grade Total	
Engineer I	11	0	\$56,178.00	\$43,257.06	\$50,560.20	\$7,303.14	\$2,299.76	\$9,602.90	\$0.00	
Engineer II	13	9	\$64,322.00	\$49,527.94	\$55,509.89	\$5,981.95	\$1,883.71	\$7,865.66	\$70,790.95	
Engineer III	15	6	\$73,640.00	\$56,702.80	\$61,636.68	\$4,933.88	\$1,553.68	\$6,487.56	\$38,925.35	
Engineer IV	17	12	\$84,313.00	\$64,921.01	\$74,195.44	\$9,274.43	\$2,920.52	\$12,194.95	\$146,339.38	
Engineer V	19	0	\$96,528.00	\$74,326.56	\$80,793.94	\$6,467.38	\$2,036.58	\$8,503.95	\$0.00	
Engineer VI	20	1	\$103,291.00	\$79,534.07	\$88,830.26	\$9,296.19	\$2,927.37	\$12,223.56	\$12,223.56	
Total		28						\$268,279.24		

*Division Average



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Key Legislative Revisions



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Legislation Revision #1

Recommendation: Eliminate Base Fee Category K & User Fee Category 10

§ 6097 Fees. (Current Language)

(f) Sources not included in the 2011 Delaware Point Source Emission Inventory of Estimated Actual Regulated Air Contaminants or sources that have not applied for a Title V Operating Permit or synthetic minor facility permit by December 31, 2014, shall be assessed a base fee that is consistent with the categories and amounts specified in subsection (d) of this section. The estimated hours on which the base fee assessment is calculated shall include an evaluation of specific regulatory applicability to the source. This shall include, but is not limited to, the following: new source review; new source performance standards; toxic requirements, to include maximum achievable control technology and National Emission Standards for Hazardous Air Pollutants; and continuous emission monitoring requirements. Such sources shall also be assessed a user fee based upon allowable emissions specified in its permit that is consistent with the categories and amounts specified in subsection (e) of this section.



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Legislation Revision #2

Recommendation: Revise Fee Credit Program paragraph (g)(1), as required

§ 6097 Fees. (Current Language)

(g)(1) In calendar years 2015, 2016, 2017, 2018, 2019, and 2020, the Department will grant sources with an active Title V or synthetic minor permit on or before December 31, 2014, and without delinquent accounts, annual user fee credits. The credit shall be determined by the categorical status of a qualifying facility in calendar year 2014. User fee credits for 2015, 2016, and 2017 will be calculated as a percentage of the total Program annual fee reduction amount of \$300,000. Eligible facilities will be granted the following fee credit percentages by category established under paragraph (e)(2) of this section:



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Legislation Revision #3

Recommendation: Modify Fee Collection/Termination Language in Paragraph (h)

Suggested Language: After December 31, 2020, if succeeding fee legislation is not enacted, 2021 Program fees may be billed and collected at the rates defined herein.

§ 6097 Fees. (Current Language)

(h) These fees may be increased on an annual basis by no more than the Federal Consumer Price Index for the previous calendar year. Any increases in fees are subject to review and approval by the committee established pursuant to § 6099 of this title. After December 31, 2017, no fees shall be collected pursuant to this section unless authorized by a further act of the General Assembly. The Department shall consult with the Title V Operating Permit Program Advisory Committee prior to any proposed increase to the complement of full-time equivalent employees funded in whole or in part by the Program.



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Legislation Revision #4

Recommendation: Strike § 6097(m) in its entirety.

§ 6097 Fees. (Current Language)

(m)(1) The Title V Operating Permit Program Advisory Committee shall be assembled by the Division of Air Quality to aid in the development of a management system review performed by an independent third party of the Title V air permitting scope, funding, and revenue generation process. The goal of this review ...



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Legislation Revisions

Additional Recommendations?



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Action Items

- DAQ Follow-up

1. ?

2. ?

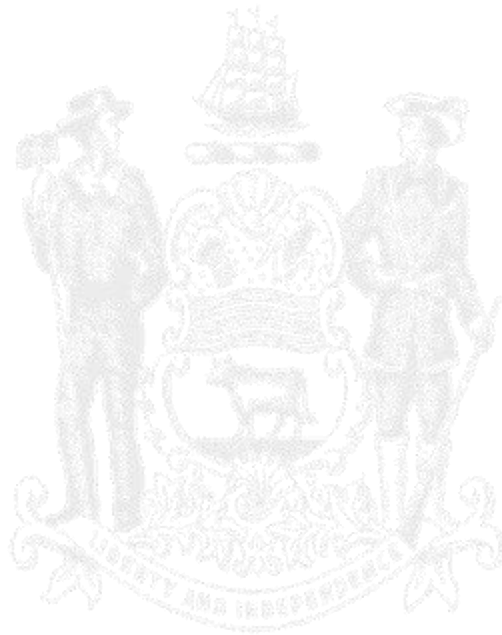
3. ?

- Committee:

1. ?

2. ?

3. ?



Next Meeting?



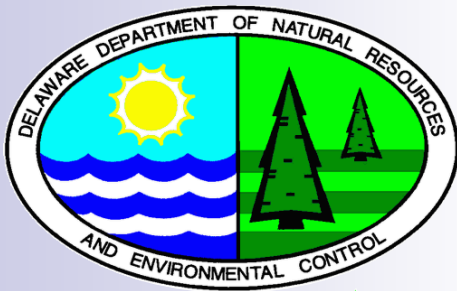
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Summary

- Introductions
- Management Review Wrap-up
- Revenue Requirements Recap
- Carryover Considerations
- Legislation Revisions
- Action Items
- Next Meeting Scheduling
- Closing Comments



Director's Comments



April 7th, 2017

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