

FEATHER RIVER AIR QUALITY MANAGEMENT DISTRICT
MEMORANDUM
06/01/2026

TO: FRAQMD BOARD OF DIRECTORS
FROM: Christopher Brown AICP, APCO
SUBJECT: Conduct a Public Hearing to Review the FY 26/27 Proposed budget.

RECOMMENDATION:

Conduct Public Hearing on the FY 26/27 Proposed budget.

BACKGROUND:

The District currently holds 2 funds in the Yuba County Treasurer's office, Fund #725 the District Fund and Fund #728 the Grant Project Fund that is restricted to project expenditures only.

The Proposed FY 2026/2027 Budget reflects continued financial stability, ensuring the District can meet its ongoing liabilities and operational obligations.

DISCUSSION:

On May 12, 2026, the Policy/Finance Committee convened to review the proposed budget. Following a comprehensive review, the Committee unanimously recommends approval of the FY 2026/2027 Proposed Budget.

As part of ongoing financial system improvements, the District adopted an accrual-based accounting method and transitioned to QuickBooks software. In conjunction with this shift, a revised budget format was introduced during the FY 2020/2021 budget cycle to enhance alignment with financial statements and improve real-time monitoring of budget-to-actuals.

The final refinements to this format were completed in FY 2021/2022. The updated format remains in use and supports both Board oversight and public transparency. The District Planning Department has added 3 items to the FY26/27 Budget. There are 2 Consulting Contracts and a budget item for an Activity Book for Public Outreach. The following explains each item.

1. GHG Thresholds Consulting Contract: The purpose of this consulting agreement is to develop greenhouse gas (GHG) significance thresholds for the District's California Environmental Quality Act (CEQA) Handbook known as the Indirect Source Review Guidelines. The GHG thresholds are necessary to streamline CEQA reviews for development projects. The thresholds would consider a rural area's fair share, considering its minor contributions to statewide GHG emissions, and also consider a project's impact on natural and working lands (i.e., sequestration potential).
2. Indirect Source Review Guidelines Consulting Contract: The purpose of the funding would be to procure a consulting contract to update the District's Indirect Source Review Guidelines. The Guidelines' last update was adopted by the Board in 2010. Since 2010, court decisions have made some of the guidelines no longer adequate to sufficiently streamline review of projects under CEQA and costs additional time and resources reviewing projects. This update would provide streamlined thresholds and substantial evidence to District staff, developers, and local agencies when reviewing projects under CEQA.
3. Public Outreach Materials Coloring/Activity Book: This funding is to be used to create a modern educational activity booklet engaging both kids and families while building statewide awareness of air quality issues in California. By working together on a shared project, participating Air Districts are pooling resources, reducing production costs through shared content and volume printing. These activity books provide an accessible and engaging way to strengthen public understanding, inspire action, and deliver consistent messaging with locally relevant content. The activity book development company Your Very Favorite specializes in creating educational activity books for organizations and agencies, offering complete end-to-end services from concept development through final production. This budgeted item includes both the cost of development, printing, taxes, and shipping. The volume of books purchased will last the District many years, with future opportunities to reprint the book at the cost of printing.

It is anticipated that additional revisions may be necessary before the final budget is adopted, given potential changes to state and federal funding levels.

The District anticipates further revisions to the final budget due to the rapidly changing state and federal budgets.

Reserves

As of June 23 2025, the Unassigned Fund Balance is \$4,200,890.

Feather River Air Quality Management District
2026/2027 Draft Budget
July 2006 through June 2027

	25/26 Approved Budget	Actuals as of 3/30/2026	Upcoming Year Over Year Anticipated Budget Increase or (Decrease)	Total Budget 26/27
Grants & Projects Revenue				
State Funding	2,869,696	1,736,611	5%	3,002,583
Total Grants & Projects Revenue	2,869,696	1,736,611	5%	3,002,583
Other Revenue				
Interest	188,000	302,096	33%	250,000
Miscellaneous	1,000	700	0%	1,000
Total Other Revenue	189,000	302,796	33%	251,000
Permits & Fees Revenue				
AB923 Admin	18,900	11,462	-100%	0
Air Toxics	3,000	6,341	67%	5,000
Annual Permits	508,620	528,776	4%	527,948
Burn Permits	82,381	59,081	4%	85,511
Emission Reduction Credits	150		0%	150
Indirect Source	34,000	30,226	0%	34,000
New Permits	116,488	160,106	4%	120,915
Penalty	60,000	151,205	0%	60,000
Perp Inspections	25,000	53,985	120%	55,000
State Motor Veh (AB2766, AB923)	894,000	704,297	31%	1,172,950
Total Permits & Fees Revenue	1,742,539	1,705,479	18%	2,061,474
Total Revenue	4,801,235	3,744,885	11%	5,315,057
General & Administrative				
Accounting & Auditing	86,338	47,245	1%	87,578
BLDG & Maint/Improvement	37,661	16,658	2%	38,533
Communications	24,159	14,683	-2%	23,559
Dues and subscriptions	9,309	8,608	0%	9,309
Insurance	36,425	31,729	0%	36,425
Legal Fees	60,000	32,519	-17%	50,000
Maintenance/Equipment	4,100		0%	4,100
Minor Equipment	9,950	4,342	-6%	9,400

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Office Supplies	14,313	10,613	224%		46,313
Professional Services	139,202	82,271	22%		169,948
Publications/Public Notices	5,800	1,882	9%		6,300
Rents & Leases/Equipment	1,800	769	0%		1,800
Taxes and fees	733	32	9%		800
Technology	77,700	23,059	4%		80,800
Travel - Operations	35,300	9,781	0%		35,300
Utilities	18,208	13,543	0%		18,208
Total General & Administrative	560,998	297,734	10%		618,373
Human Resource Expenses					
CALPERS 457 Contribution	16,800	9,900	32%		22,200
CO Share PERS	229,029	214,236	21%		277,820
Employee Benefits	339,666	258,429	7%		363,646
Payroll Taxes	18,184	15,163	0%		18,200
PERKS Employee Benefits	500	101	0%		500
Salaries and Wages	1,095,410	778,183	9%		1,190,524
Workers Comp Insurance	15,605	10,872	9%		16,974
Total Human Resource Expenses	1,715,194	1,286,884	10%		1,889,864
Program Activities					
Curr Year Local Incentives	406,000		32%		535,000
Outreach Event Supplies	1,000		1000%		11,000
Prev Allocated Local Incentives	246,259	110,745	90%		466,700
State Incentives (Pass Through)	2,346,484	903,089	-36%		1,500,000
Total Program Activities	2,999,743	1,013,834	-16%		2,512,700
Total Expenditures	5,275,935	2,598,452	-5%		5,020,937
Net Operating Revenue	(474,700)	1,146,433	-162%		294,120
Other Revenue					
Gain/(Loss) on Investments	64,682	33,526	-22%		50,289
Total Other Revenue	64,682	33,526	-22%		50,289
Other Expenditures					
Depreciation Expense	61,000		-10%		55,000
Interest Expense	15,578		8%		16,780
Total Other Expenditures	76,578	0	-6%		71,780
Net Other Revenue	(11,896)	33,526	81%		(21,491)
Net Revenue	(486,596)	1,179,959	-156%		272,629