

FEATHER RIVER AIR QUALITY MANAGEMENT DISTRICT  
MEMORANDUM  
06/05/2017

TO: FRAQMD BOARD OF DIRECTORS  
FROM: Christopher Brown AICP, APCO  
SUBJECT: Approve the Proposed Budget.

---

RECOMMENDATION:

Approve the proposed budget.

ALTERNATIVES:

Do not recommend the budget as presented.

BACKGROUND:

The District held a Policy/Finance Committee meeting on Wednesday, May 24<sup>th</sup> to review the proposed budget. The Committee recommended approval of the proposed budget.

The District holds 2 funds in the Yuba County Treasurers office, Fund #725 District Fund and Fund #728 Moyer/Mitigation/AB 923 Project Fund that is restricted to projects only.

The District is recommending to the Board as part of the budget adoption process, a Consumer Price Index increase of 2.2% to stationary source fees consistent with District Rule 7.0(c), Consumer Price Index adjustment of fees. A public notice to this effect has been duly noticed.

DISCUSSION:

As requested previously by the Board of Directors there is a three year comparison. The percentages are calculated based on the FY 16/17 fiscal year vs. the FY 17/18 fiscal year.

The asterisk items in the FY15/16 and FY 16/17 include budget transfer allocations that were approved by the Board of Directors throughout the fiscal year for actual budget comparisons.

Page 1, Salaries and Benefits have included all negotiated items with the 3 year agreement between the District and Employees. The overall increase to Salaries is 3%.

Page 1, Services and Supplies subtotal reflects a 5% decrease for an Overall Operational Total increase of 1%. Pages 4, 5, and 6 are the listing of Services and Supplies recap that breaks down the allocations by subcategory.

New this fiscal year, Page 2 is a CalPERS expense for Unfunded Liability and Retiree OPED (other post employee benefits). These allocations were previously reflected in Salaries and Benefits, however; as the amounts are district incurred liabilities for retirement the allocations were categorized accordingly as to not reflect an inflated increase to Salaries and Benefits. Additionally, under the Grants, (Encumbered Projects awarded), page 7 is a listing of the individual projects committed but not expended to date.

Total expenses that include Salaries, Services and Supplies, CalPERS and Grants reflect a 1% increase over last fiscal year.

Page 3, Subtotal Revenues reflects 2% increase by incorporating 2.2% CPI. The revenue carry-over down by 8% is reflected conservatively as the number is an estimate, not actual. In preparation of the Final Budget, the carry-over shown will be actual. Adjustments made to the fund balance will be increased or decreased to the appropriation to Contingency Reserve.

The bottom of page 3 (fund balance) reflects a negative amount for both FY 15/16 and FY 16/17. The negative totals represent direct payment or transfer from the contingency reserves.

FUND #725

SALARIES AND BENEFITS		Budgeted	Budgeted	Proposed	FY 16/17 vs. FY 17/18 increase or (decrease)
Account #	Description	FY 15/16	FY 16/17	FY 17/18	
0101	Salaries	689,428	685,178	731,700	6%
0101-1	CalPERS 457 Contribution	6,000	6,000	6,000	0%
0101-2	Bi-lingual benefit	0	1,200	600	-100%
0104	Overtime	1,000	1,000	1,000	0%
0205	Medicare	11,031	10,963	11,707	6%
0201	PERS - employee	52,999	37,801	10,453	-262%
0202	PERS - employer	62,613	61,524	72,416	15%
0204	Group Health Ins.	122,105	177,080	178,557	1%
0206	Workers Comp.	7,745	10,179	10,790	6%
0208	Unemployment Ins.	3,360	3,920	3,920	0%
<b>SALARY TOTAL</b>		<b>956,281</b>	<b>994,845</b>	<b>1,027,143</b>	<sup>1</sup> 3%
<b>SERVICE AND SUPPLIES</b>		<b>FY 15/16</b>	<b>FY 16/17</b>	<b>FY 17/18</b>	<b>increase or (decrease)</b>
1200	Communications	10,170	10,725	10,124	-6%
1500	Insurance Property/Liability *	13,030	13,600	14,350	6%
1700	Maintenance - Equip	1,920	3,120	3,240	4%
1800	Building Maint/Improvements *	42,000	35,000	35,800	2%
2000	Memberships	2,600	2,500	2,500	0%
2200	Office Supplies	19,250	* 16,500	15,770	-4%
2300	Professional Services/legal fees *	140,765	146,165	144,700	-1%
2301	Consultant *	35,000	35,000	27,500	-21%
2400	Publications	4,000	4,500	3,750	-17%
2500	Rent & Lease Equipment	0	* 2,800	2,145	-23%
2600	Building/Lease - Struct	37,889	37,889	37,889	0%
2700	Small Tools	600	1,000	400	-60%
2900	Travel-meetings	13,000	10,800	9,500	-12%
2901	Transportation-gas/maintenance *	7,200	8,000	7,500	-6%
2902	Transportation - Priv	3,100	3,200	1,600	-50%
3000	Utilities *	11,500	10,450	10,950	5%
6003	Fixed Assets	7,000	7,500	5,000	-33%
<b>SUB-TOTAL SERVICES/SUPPLIES</b>		<b>349,024</b>	<b>348,749</b>	<b>332,718</b>	-5%
<b>OPERATIONAL TOTAL</b>		<b>1,305,305</b>	<b>1,343,594</b>	<b>1,359,861</b>	<sup>2</sup> 1%

\* Indicates budget transfer allocations approved by the Board of Directors in FY 15/16 and FY 16/17

<sup>1</sup> Salary increase due to employee negotiations and 4 employees eligible for 5% step increases

FUND #725

	Budgeted FY 15/16	Budgeted FY 16/17	Proposed FY 17/18	vs. FY 17/18 increase or (decrease)
<b>CALPERS</b>				
0202-1 PERS Unfunded Liability	24,846	29,029	36,600	21%
0204-1 PERS Retiree OPEB			3,000	100%
<b>CalPERS TOTAL</b>	<b>24,846</b>	<b>29,029</b>	<b>39,600</b> <sup>2</sup>	<b>36%</b>
<b>GRANTS</b>				
2810 AB2766 Blue Sky Project Allocation	415,714	250,000	225,000	-10%
<b>AB2766 BLUE SKY PROJECT TOTAL</b>	<b>415,714</b>	<b>250,000</b>	<b>225,000</b>	<b>-10%</b>
2810 Encumbered Projects awarded not expended	195,424	182,133	215,367	18%
<b>TOTAL EXPENSES</b>	<b>1,941,289</b>	<b>1,804,756</b>	<b>1,829,257</b>	<b>1%</b>

<sup>2</sup> Increase of 36% as actuals are not available and the numbers are based on estimated numbers provided by CalPERS.

FEATHER RIVER AQMD  
 FY 2017/18 Proposed Budget  
 REVENUE

FUND #725

Page 3

Account #	Description	Budgeted	Budgeted	Proposed	FY 16/17
		FY 15/16	FY 16/17	Budget	vs. FY 17/18 increase or (decrease)
1611	Annual Permits	330,000	320,000	340,000	6%
1612	New Applications	65,000	75,000	75,000	0%
1612-1	Engine Registration	45,000	37,000	35,000	-5%
1612-2	PERP Inspections	20,000	20,000	23,000	15%
1613	Open Burning	68,000	68,000	68,000	0%
2201	Penalties	30,000	30,000	35,000	17%
4201	AB2766 Blue Sky DMV	530,000	532,000	536,000	1%
9825	Interest	14,600	13,000	14,000	8%
6201	State Subvention	93,000	93,000	93,000	0%
9890	Indirect Sources	12,000	20,000	20,000	0%
9891	Air Toxics Hot Spots	5,000	20,000	20,000	0%
9892	Emission Reduction Credits	1,500	400	400	0%
9893	DTSC	2,000	1,000	1,000	0%
9899	Miscellaneous	7,500	7,000	3,100	-56%
9899-1	AB923/Moyer Admin	40,000	60,000	60,000	0%
9899-2	Permit Consultant Pass-through	15,000	0	0	0%
<b>SUBTOTAL REVENUE</b>		<b>1,278,600</b>	<b>1,296,400</b>	<b>1,323,500</b> <sup>3</sup>	<b>2%</b>
727	Prior Fiscal Year Carry Over	565,036	514,495	0	
725	Prior Fiscal Year Carry Over	1,325,170	1,443,706	1,792,495	
<b>REVENUE CARRY OVER</b>		<b>1,890,206</b>	<b>1,958,201</b>	<b>1,792,495</b> <sup>4</sup>	<b>-8%</b>
<b>TOTAL REVENUE</b>		<b>3,168,806</b>	<b>3,254,601</b>	<b>3,115,995</b>	<b>-4%</b>
<b>RESERVES</b>					
8001	General Reserves	600,000	600,000	600,000	
8002	Capital Improvement	93,783	99,182	99,182	
8003	Appropriation to Contingencies	501,130	590,163	422,556	
2801	AB2766 Blue Sky Project Reserves	53,000	53,000	53,000	
<b>RESERVE SUB TOTAL:</b>		<b>1,247,913</b>	<b>1,342,345</b>	<b>1,174,738</b>	<b>-12%</b>
8003	Future Vehicle Expense	35,000	10,000	20,000	
8003	Cal Pers Unfunded Liability	30,397	32,000	32,000	
8003	GASB 45 OPEB Cost	0	60,000	60,000	
<b>FUTURE RESERVE COST</b>		<b>65,397</b>	<b>102,000</b>	<b>112,000</b>	<b>10%</b>
<b>RESERVE TOTAL:</b>		<b>1,182,516</b>	<b>1,240,345</b>	<b>1,062,738</b> <sup>5</sup>	<b>-14%</b>
<b>TOTAL REVENUE:</b>		<b>1,986,290</b>	<b>1,810,256</b>	<b>1,829,257</b>	<b>1%</b>
fund balance		legal (45,001)	serve (5,500)	0	

Fund Balance for FY 15/16 and FY 16/17 represents direct payment/transfer from contingency reserves.

<sup>3</sup> Overall revenue increase of 2% by incorporating 2.2% CPI.

<sup>4</sup> Revenue Carry over down due to conservative amount as number is an estimate, not actual.  
 Any additional revenue by the end of the year will be reflected in the Appropriation to Contingencies reserves.

<sup>5</sup> Reserve total reduced as future vehicle expense increased in order to not incur the full cost of a new vehicle.

SERVICES AND SUPPLIES RECAP

	FY 15/16	FY 16/17	FY 17/18
<b>1200 Communications</b>	<b>\$10,170</b>	<b>\$10,725</b>	<b>\$10,124</b>
Subcategories: Office Telephones	\$3,600	\$4,000	\$4,000
Comcast equipment	\$370	\$250	\$0
Mobile Telephones	\$2,100	\$2,100	\$2,100
Mobile Data - Tablet	\$0	\$865	\$457
E-Fax	\$210	\$220	\$220
Exchange Mailbox	\$1,740	\$1,740	\$1,740
Internet host	\$150	\$150	\$150
Verizon Hotspot	\$0	\$0	\$457
Portable Headsets	\$1,000	\$900	\$500
Telephone Repair	\$1,000	\$500	\$500
<b>1500 Insurance *</b>	<b>\$13,030</b>	<b>\$13,600</b>	<b>\$14,350</b>
Subcategories: Liability/Auto/Property	\$10,980	\$12,300	\$13,000
SDRMA Certificates of Insuran	\$150	\$100	\$50
SDRMA Membership Fee	\$1,100	\$1,200	\$1,300
<b>1700 Maintenance - Equipment</b>	<b>\$1,920</b>	<b>\$3,120</b>	<b>\$3,240</b>
Subcategories: Computer System Upgrades	\$1,000	\$2,000	\$2,000
Equipment Repair	\$200	\$200	\$200
E-Bam Satellite	\$600	\$600	\$600
Computer Back-ups/Crash Prc	\$120	\$120	\$240
E-Bam Calibrator/parts	\$0	\$200	\$200
<b>1800 Bldg. Maint/Improvement *</b>	<b>\$42,000</b>	<b>\$35,000</b>	<b>\$35,800</b>
Subcategories: Property Mgmt. Fee	\$0	\$0	\$900
Gardener	\$0	\$0	\$1,300
Pest Control	\$0	\$0	\$500
Security Patrol	\$0	\$0	\$3,600
Service Calls	\$0	\$0	\$4,800
Building Repair/Improvements	\$0	\$0	\$24,700
<b>2000 Memberships</b>	<b>\$2,600</b>	<b>\$2,500</b>	<b>\$2,500</b>
Subcategories: CAPCOA	\$2,000	\$2,000	\$2,000
Other	\$600	\$500	\$500
<b>2200 Office Supplies</b>	<b>\$19,250</b>	<b>\$16,500</b>	<b>\$15,770</b>
Subcategories: General Office	\$5,000	\$5,000	\$5,000
Janitorial Supplies	\$250	\$200	\$250
Printing	\$1,500	\$1,600	\$1,300
Postage	\$3,000	\$3,100	\$3,000
Copier Maintenance	\$500	\$500	\$720
Computer Hdwr/Softwr	\$2,500	\$2,500	\$2,500
Copier Lease	\$2,400	\$0	\$0
Compliance Tablets	\$600	\$600	\$0
Office Furniture	\$3,000	\$2,500	\$2,500
Employee Appreciation	\$500	\$500	\$500

SERVICES AND SUPPLIES RECAP

	FY 15/16	FY 16/17	FY 17/18
<b>2300 Professional Services</b>	<b>\$95,765</b>	<b>\$146,165</b>	<b>\$144,700</b>
Subcategories: BCC Coordinator	\$14,475	\$15,250	\$15,250
Payroll Services	\$2,000	\$2,000	\$2,000
Fiscal Audit	\$8,000	\$8,500	\$8,500
Services - Yuba	\$6,000	\$7,000	\$6,000
* Legal Services	\$40,000	\$70,000	\$70,000
Board of Directors	\$8,000	\$8,000	\$8,000
Hearing Board	\$1,000	\$500	\$500
ARB Hot Spots	\$5,000	\$20,000	\$20,000
Safety & Compliance	\$2,000	\$2,000	\$1,500
Education Reimbursement	\$2,000	\$2,000	\$2,000
Alarm Surveillance	\$390	\$500	\$500
BCC Meeting Reimbursement	\$400	\$350	\$350
Janitorial Services	\$6,500	\$6,800	\$6,800
Western Weather Services	\$0	\$315	\$350
Local Tax Assessment	\$0	\$550	\$550
Streamline Website Services	\$0	\$2,400	\$2,400
<b>2301 Consultant *</b>	<b>\$35,000</b>	<b>\$35,000</b>	<b>\$27,500</b>
Subcategories: Engineering Consultant	\$25,000	\$0	\$15,000
Planning Consultant	\$5,000	\$5,000	\$5,000
Accounting System	\$20,000	\$30,000	\$7,500
Website Consultant	\$5,000	\$0	\$0
<b>2400 Publications-Public Notices</b>	<b>\$4,000</b>	<b>\$7,300</b>	<b>\$3,750</b>
Rule Publication	\$1,000	\$1,500	\$300
Appeal Democrat	\$100	\$100	\$150
CalPERS GASB 68 Report	\$850	\$1,300	\$1,300
Permit Publications	\$2,000	\$1,300	\$500
Public Notices	\$50	\$300	\$1,500
<b>2500 Rents &amp; Lease Equipment</b>	<b>\$0</b>	<b>\$2,800</b>	<b>\$2,145</b>
<b>2600 Lease - Building</b>	<b>\$37,889</b>	<b>\$37,889</b>	<b>\$37,889</b>
<b>2700 Small Tools</b>	<b>\$600</b>	<b>\$1,000</b>	<b>\$400</b>
Binoculars - Compliance	\$0	\$400	\$200
Cameras	\$400	\$400	\$0
Scientific Calculator	\$200	\$200	\$200

SERVICES AND SUPPLIES RECAP

	FY 15/16	FY 16/17	FY 17/18
<b>2900 Travel-meetings/training</b>	<b>\$13,000</b>	<b>\$10,800</b>	<b>\$9,500</b>
Subcategories: CAPCOA APCO Meetings	\$4,200	\$4,000	\$3,000
EEP, TAC, BCC Meetings	\$200	\$200	\$200
Training	\$3,000	\$2,000	\$3,000
CAPCOA Mgr. Meetings	\$3,000	\$3,000	\$2,000
Planning Meetings	\$2,000	\$1,000	\$1,000
Safety Training	\$600	\$600	\$300
<b>2901 Travel - veh fuel/maint *</b>	<b>\$7,200</b>	<b>\$8,000</b>	<b>\$7,500</b>
Subcategories: Fuel (4 vehicles)	\$5,000	\$3,000	\$2,500
Maintenance	\$2,200	\$5,000	\$5,000
<b>2902 Travel - personal vehicle</b>	<b>\$3,100</b>	<b>\$3,200</b>	<b>\$1,600</b>
Personal Vehicle Use	\$1,500	\$1,500	\$500
Alternate Transportation Subsi	\$600	\$200	\$100
APCO Vehicle Use	\$1,000	\$1,500	\$1,000
<b>3000 Utilites (gas/electric)</b>	<b>\$11,500</b>	<b>\$10,450</b>	<b>\$10,950</b>
Subcategories: PG&E	\$9,640	\$8,500	\$9,000
Water Services	\$1,200	\$1,200	\$1,200
Trash	\$660	\$750	\$750
<b>TOTAL - SERVICES &amp; SUPPLIES</b>	<b>\$297,024</b>	<b>\$341,249</b>	<b>\$327,718</b>
<b>60-03 Fixed Assets</b>	<b>\$7,000</b>	<b>\$7,500</b>	<b>\$5,000</b>
Subcategories: (2) computer replacement	\$4,500	\$4,000	\$4,000
Survelliance Cameras	\$2,500	\$2,500	\$0
Laptop Computer	\$0	\$1,000	\$1,000
<b>TOTAL</b>	<b>\$304,024</b>	<b>\$348,749</b>	<b>\$332,718</b>

**FY 17/18**  
**FEATHER RIVER AQMD**  
**AB2766 ALLOCATED PROJECT FUNDS**

6/30/2016

Project #	Project Description	\$ Amt.	Expiration
N/A	FRAQMD Outreach Projects	\$2,500	12/31/2016
N/A	FRAQMD Mini Projects	\$10,000	12/31/2016
N/A	FRAQMD Outstanding Mini Projects	\$967	*Various
VF16-02	Yuba Sutter Transit Live Oak Expansion	\$7,500	12/31/2017
VF16-03	Yuba Sutter Transit Discount Bus Pass	\$107,700	12/31/2017
VF16-04	Sutter County Ag Kill the Bug: Recycle Jug	\$2,400	12/31/2017
VF16-05	City of Yuba City Bicycle Safety Campaign	\$34,300	12/31/2017
VF16-06	Iverson Property Mgmt. Charging Station	\$50,000	12/31/2017
<b>BALANCE</b>		<b>\$215,367</b>	

\*Various - one year from date of agreement(s)