

FEATHER RIVER AIR QUALITY MANAGEMENT DISTRICT
MEMORANDUM
10/05/2026

TO: FRAQMD BOARD OF DIRECTORS

FROM: Christopher D. Brown, AICP, APCO

SUBJECT: Approval of proposed FY 2026–27 budget amendments

RECOMMENDATION:

Approval of proposed FY 2026–27 budget amendments
Approve the proposed amendments summarized below to include prior-year AB923 balances in budgeted revenue and expenditures for Board-approved current-year local incentive determinations and to update insurance costs. The amended budget increases projected net revenue by \$16,078.62, from \$279,777.65 to \$295,856.27.

Requested Budget Amendments

Budget line	Original	Amended	Increase
State Motor Veh AB2766 and AB923	\$1,172,950.38	\$1,557,961.74	\$385,011.36
Current Year Local Incentives	\$535,000.00	\$903,335.74	\$368,335.74
Insurance	\$36,425.00	\$37,022.00	\$597.00

ALTERNATIVE:

Do not approve the amendments and retain the original budget allocations and provide direction to staff.

BACKGROUND:

Staff are proposing three adjustments to the adopted budget.

- 1.) Net increase in revenue of \$385,011.36 of AB923 (School Bus) funding from \$533,324.38 to \$918,335.74. The change is due to projects not being completed in prior years and unspent funds returning to the account. While this budget line is shared with AB 2766 (Blue Sky) funding there is no proposed change to AB2766 funding.
- 2.) Net increase in expenditures of \$368,335.74 of AB 923 Funding. Adjustment to Current Year Local Incentives from \$466,700 to \$903,335.74 to account for increases in item 1. above and for other minor adjustments to the AB 293 account.
- 3.) Net increase in Liability, auto, and property insurance expenses of \$597. Changes the total bringing total insurance to \$37,022 from \$36,425.

Fiscal Impact

If adopted -

Budgeted revenue increases from \$5,329,056.96 to \$5,714,068.32.

Expenditures increase by \$368,932.74, from \$5,041,536.81 to \$5,410,469.55, including \$368,335.74 for current-year local incentives and \$597 for insurance.

Net operating revenue increases from \$287,520.15 to \$303,598.77.

Net other revenue remains a loss of \$7,742.50, resulting in amended net revenue of \$295,856.27.