

FEATHER RIVER AIR QUALITY MANAGEMENT DISTRICT
MEMORANDUM
08/03/2020

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

RECOMMENDATION:

Approve Policy/Finance Committee recommendation for Board consideration to approve the finalized 2020/2021 budget in the newly presented format consistent with Generally Accepted Accounting Principles (GAAP).

ALTERNATIVES:

Do not approve the recommendation and continue the Public Hearing.

BACKGROUND:

Beginning with the 18/19 year, the district converted to QuickBooks accounting software in order to utilize a double-entry accounting system and become compliant with Generally Accepted Accounting Principles.

Previously, the District presented the budget on a cash-basis and adjusted the carry over amount each year. With the implementation of the QuickBooks accrual accounting system, the budget is presented with revenues and expenses only.

DISCUSSION:

Overall, we anticipate annual revenues of \$1,950,205 which is a 12% increase over the prior year's budget. The largest revenue sources are grants & projects, State Motor Vehicles (AB2766), and annual permits. These three areas make up 80% of the total revenues.

Annual expenses are expected to total \$2,285,206 (including interest expense) resulting in a minor increase of 2% over the prior year budget. These expenses include releasing funds of \$335,001 from prior restriction and will reduce the district's cash held. The specifics of these previously approved projects are listed on page 3 of the 2020/2021 budget.

Operationally, outside of the previously restricted fund expenditures, we anticipate a breakeven budget.

FISCAL IMPACT:

\$335,001 of previously restricted funds will be used for 2766 projects as listed. The Committee requested that the District disclose the cash balance of \$3,082,286.

Feather River Air Quality Management District
2020/2021 Budget Draft
July 2020 through June 2021

	17/18 Actuals	18/19 Actuals	Approved 18/19 Budget	Approved 19/20 Budget	Draft 20/21 Budget	Year Over Year Increase or (Decrease)	Notes
Statement of Activities							
Ordinary Income/Expense							
Income							
Total Grants & Projects	1,172,538	2,097,488	193,961	422,217	623,505	32%	Farmer, AB617, and Prescribed Fire Grants adjusted due to legislative amendment.
Air Toxics	0	471	5,000	5,000	3,500	-43%	Based on actuals
Annual Permits	395,823	406,805	396,000	417,000	375,000	-11%	Annual Permits decrease adjusted based on COVID-19 effects. Engine Registrations reduction due to Farmers opting out of program.
Burn Permits	70,097	70,266	68,000	65,000	68,000	4%	
DISC	0	517	1,000	500	250	-100%	
ERC	0	180	400	200	150	-33%	
Indirect Source	21,315	24,462	22,000	22,000	28,000	21%	Based on actuals
Interest	53,111	78,866	20,000	26,000	26,000	0%	
Miscellaneous	212,217	309,438	3,100	3,100	4,000	23%	
New Permits	121,338	159,256	70,000	73,000	73,000	0%	
Penalty	30,812	72,468	0	0	70,000	0%	Mutual Settlement Program
PERP Inspections	0	0	18,000	20,000	25,000	20%	Based on actuals
State Motor Veh (AB2766)	585,835	776,235	540,000	565,000	565,000	0%	
Subvention	95,623	0	93,000	88,800	88,800	0%	
Total Income	2,758,709	3,996,452	1,430,461	1,707,817	1,950,205	12%	
Expense							
Capital Outlay	2,721	0	0	0	0	0%	
Debt Service	20,809	0	0	0	0	0%	
Program Activities							
AB923 Program Activities	290,937	0	0	0	0	0%	
Carl Moyer Memorial Fund	0	1,438,926	0	0	0	0%	
Carl Moyer Program Activities	1,011,854	0	0	0	0	0%	
AB2766 Blue Sky Project	0	106,849	250,000	250,000	150,000	-67%	
Program Activities - Other	167,432	0	251,574	303,035	335,001	10%	(1) Use of Restricted Fund Balance
Total Program Activities	1,470,223	1,545,775	501,574	553,035	485,001	-14%	
Human Resource Expenses							
Consultant	0	0	0	0	0	0%	
CALPERS 457 Contribution	0	5,050	6,000	6,600	7,950	17%	Increase due to addition of employee for 6 months of the year.
CO Share PERS	0	112,956	75,011	84,149	95,776	12%	CALPERS increased percentage; addition of employee for 6 months of the year.
Employee Benefits	0	159,762	153,487	197,629	225,883	13%	Estimated 10% mid-year increase - assumed positions (ASO & Planner) at higher family rate.
Payroll Expenses	0	1,767	2,000	2,000	2,000	0%	
Payroll Taxes	0	11,557	16,878	17,414	19,517	11%	Increase due to addition of employee for 6 months of the year.

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Salaries and Wages	990,218	710,979	774,833	854,794	943,558	9%	Increase due to addition of employee for 6 months of the year; Overlap ASO new hire 1.5 months.
Workers Comp Insurance	0	13,903	14,102	16,308	14,894	-9%	Adjusted due to historical analysis.
Total Human Resource Expenses	990,218	1,015,974	1,042,311	1,178,894	1,309,578	10%	
General & Administrative							
DPMT Expense/MTR VHL Fee Exp	0	140,556	0	0	0	0%	
Communications	9,388	8,197	10,536	10,582	14,155	25%	Increase due to additions of mobile telephones, telephone plans, and wi-fi updates as related to virtual work environment needs.
BLDG & Maint/Improvement	0	7,711	68,835	88,915	89,140	0%	
Office Supplies	0	15,757	21,080	25,580	32,550	21%	Includes purchases of minor office equipment.
Dues and subscriptions	2,213	0	0	0	0	0%	
Insurance	14,500	15,992	15,700	17,050	23,295	27%	Property/Liability increase due to underwriter increase to SDRMA.
Maintenance/Equipment	29,106	1,762	3,875	5,275	7,500	30%	Increase due to addition of oil/gas calibration needs.
Memberships	0	2,213	2,700	2,700	2,700	0%	
Professional Services	112,418	151,611	152,550	299,350	262,850	-14%	
Publications	2,467	2,505	3,750	4,650	4,550	-2%	
Rents & Leases/Equipment	1,298	1,809	1,690	1,820	2,000	9%	
Travel - Operations	9,672	10,922	19,100	22,100	23,500	6%	
Utilities	9,178	10,727	11,200	12,908	14,320	10%	
General & Administrative - Other	10,578	0	0	0	0		
Total General & Administrative	200,818	369,762	311,016	490,930	476,560	-3%	
Total Expense	2,684,789	2,931,511	1,854,901	2,222,859	2,271,139	2%	
Net Ordinary Income	73,920	1,064,941	(424,440)	(515,042)	(320,934)	-60%	
Other Income/Expense							
Other Expense							
Interest Expense	17,079	16,178	16,178	15,147	14,067	-8%	
Depreciation Expense	0	54,987	0	0	0	0%	
Total Other Expense	17,079	71,165	16,178	15,147	14,067	-8%	
Net Other Income	(17,079)	(71,165)	(16,178)	(15,147)	(14,067)	-8%	
Net Income	56,841	993,776	(440,618)	(530,189)	(335,001)	-58%	(1) \$335,001 relates to previously encumbered expense paid out this year
Statement of Financial Position							
(2) Building-Current Debt Reduction			(21,710)	(22,741)	(23,821)		
(2) Fixed Assets Purchases			0	(40,000)	(40,000)		Vehicle purchase
(2) Capital Improvement Purchases			(235,397)	(297,722)	(20,000)		Office renovation
(2) PERS Unfunded Liability			(45,884)	(56,943)	(66,613)		
(2) PERS Retiree OPEB			(3,000)	(3,000)	(20,913)		
(1) Use of Restricted Fund Balance			251,574	303,035	335,001		
(2) Use of Unassigned Fund Balance			495,035	647,560	171,347		
Net Use of Fund Balances			746,609	950,595	506,348		

**Feather River Air Quality Management District
2020/2021 AB2766 Allocated Project Funds
Final Budget**

Project #	Project Description	\$ Amt.	Expiration
N/A	FRAQMD Outreach Projects	\$1,000	*Various
N/A	FRAQMD Mini Project allocation for FY 19	\$15,000	*Various
N/A	FRAQMD Outstanding Mini Projects	\$4,000	*Various
TBD	Yes Charter Academy Electric School Bus	\$50,364	3/31/2020
VF18-05	City of Yuba City School Crossing	\$80,000	9/30/2020
VF19-02	Yuba Sutter Transit Discount Monthly Bus Pass	\$142,000	3/31/2021
VF 19-03	Yuba Sutter Transit Live Oak Expansion	\$7,500	3/31/2021
VF19-04	Playzeum Yuba Sutter Public Education Outreach	\$10,625	3/31/2021
VF19-05	Sutter Co. Ag Dept. Kill the Bug, Recycle the Jug	\$3,637	12/31/2020
VF 19-06	Yuba Water Agency Ride Share	\$20,875	N/A
BALANCE		\$335,001	

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