

FEATHER RIVER AIR QUALITY MANAGEMENT DISTRICT
MEMORANDUM
06/02/25

TO: FRAQMD BOARD OF DIRECTORS
FROM: Christopher Brown AICP, APCO
SUBJECT: Conduct a Public Hearing to Review the Proposed Budget.

RECOMMENDATION:

Review the FY 25/26 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 2025/2026 Budget reflects continued financial stability, ensuring the District can meet its ongoing liabilities and operational obligations.

In accordance with District Rule 7.0(c), a 3.8% Consumer Price Index (CPI) adjustment to stationary source fees is proposed. A public notice of this adjustment has been properly issued.

DISCUSSION:

On May 14, 2025, the Policy/Finance Committee convened to review the proposed budget. Following a comprehensive review, the Committee unanimously recommends approval of the FY 2025/2026 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.

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 April 30th 2025, the Unassigned Fund Balance is \$4,968,183.

Attachments

1. Budget Summary
2. 25/26 Proposed Draft Budget

Budget Summary

Grants & Projects Revenue

- **State Funding:** Decreases from \$3,480,867 (FY 24/25) to \$2,869,696 (FY 25/26), reflecting an 18% projected reduction. This is primarily due to revised projections for new or renewed funding sources, including the Farmer grant.

Permits & Fees Revenue (*Overall 3% increase*)

- **Annual Permits:** Increase from \$490,000 to \$508,620 (4%), due to the CPI adjustment to fees.
- **Burn Permits:** Increase from \$79,365 to \$82,381 (4%)
- **New Permits:** Increase from \$112,223 to \$116,488 (4%) due to the CPI adjustment to fees.
- **State Motor Vehicle Fees (AB2766 & AB923):** Increase from \$876,000 to \$894,000 (2%) based on current year actual averages.
- **Total Permits & Fees Revenue:** Increases from \$1,698,638 to \$1,742,539 (3%), reflecting consistent growth across categories.

Other Revenue

- **Interest Income:** Projected to remain flat. YTD actuals are understated due to delayed Greenbar statements for the current fiscal year.
- **Miscellaneous & Administrative Revenue:** Flat, with no significant changes.
- **Total Other Revenue:** Remains flat at \$189,000.

Overall Income Trend

- **Total Income:** Projected to decrease from \$5,368,505 in FY 24/25 to \$4,801,235 in FY 25/26—an 11% reduction, based on conservative estimates.

Program Activities (*26% overall decrease*)

- **Previously Allocated Local Incentives:** 59% decrease due to conclusion of prior-year commitments.
- **Current Year Local Incentives:** Remains flat at \$412,000.
- **Outreach Event Supplies (Non-Grant Related):** No change.
- **State Incentives (Pass-Through):** 23% decrease, reflecting adjusted passthrough activity.
- **Total Program Activities:** 26% decrease year-over-year.

Human Resource Expenses (7% overall increase)

- **CALPERS 457 Contribution:** No change; remains at \$15,600.
- **CO Share PERS:** Decreases 2%, from \$220,015 to \$214,804.
- **Employee Benefits:** Increases 22%, from \$262,988 to \$319,900, due to rising health insurance premiums and CalPERS employer contribution rates.
- **PERKS Employee Benefits:** Flat at \$500.
- **Payroll Taxes:** Increase 5%, from \$21,299 to \$22,287.
- **Salaries and Wages:** Increase 5%, from \$1,064,939 to \$1,114,387.
- **Workers' Compensation Insurance:** Increases 15%, from \$13,834 to \$15,871, reflecting a premium adjustment.
- **Total Human Resource Expenses:** 7% increase, driven by compensation and benefits, partially offset by PERS funding savings.

General & Administrative Expenses (0% overall change)

- **Accounting & Auditing:** Increase 4%, from \$82,718 to \$86,338.
- **Building & Maintenance:** Decrease 2%.
- **Communications:** Increase 3%.
- **Dues & Subscriptions:** Increase 50%, driven by CAPCOA and other membership fee increases.
- **Insurance:** Increase 7%.
- **Legal Fees:** Decrease 20%, due to fewer active legal matters.
- **Maintenance – Equipment:** Decrease 11%.
- **Minor Equipment:** Increase 25%, anticipating replacement of aging computers.
- **Office Supplies, Printing, Public Notices, Rents & Leases, and Taxes:** 4% increase
- **Technology:** Increase 8%, aligned with rising service and licensing fees.
- **Travel – Operations:** Increase 6%.
- **Utilities:** Decrease 8%.
- **Total General & Administrative Expenses:** 0% overall change.

Total Operating Expenses

- **FY 24/25 Approved Budget:** \$6,140,015
- **FY 25/26 Proposed Budget:** \$5,211,558
- **Net Change:** 15% decrease

Key Takeaways

- **15% reduction in total expenses** is primarily due to:
 - Decreased program pass-throughs and the expiration of one-time local incentives.
 - Human resource costs remain stable, with increased benefit costs offset by lower PERS contributions.

Attachment 1

- General & administrative expenses overall remain unchanged at 0%, as a result of balancing expenses.

**Feather River Air Quality Management District
2025/2026 Draft Budget
July 2025 through June 2026**

					Approved Budget 23/24	23/24 Actuals	Approved Budget 24/25	24/25 YTD Actuals 75% of Budget	Upcoming Year Over Year Anticipated Budget Increase or (Decrease)	Total Budget 25/26
36			PERKS Employee Benefits		500	482	500	70	0%	500
37			Payroll Taxes		20,330	18,005	21,299	13,306	5%	22,287
38			Salaries and Wages		1,016,483	1,007,773	1,064,939	655,965	5%	1,114,347
39			Workers Comp Insurance		9,186	7,951	13,834	10,799	15%	15,871
40			<i>Total Human Resource Expenses</i>		<i>1,409,620</i>	<i>1,469,332</i>	<i>1,599,175</i>	<i>1,080,391</i>	<i>7%</i>	<i>1,703,317</i>
41			<i>General & Administrative</i>							
42			Accounting & Auditing		80,350	65,192	82,718	49,363	4%	86,338
43			BLDG & Maint/Improvement		37,025	59,608	38,340	8,427	-2%	37,661
45			Communications		17,730	19,334	23,420	13,917	3%	24,159
46			Dues and subscriptions		5,201	4,301	6,206	4,575	50%	9,309
47			Insurance		32,092	30,305	33,907	32,672	7%	36,425
48			Legal Fees		50,000	59,438	75,000	23,679	-20%	60,000
49			Maintenance/Equipment		4,000	1,658	4,600	0	-11%	4,100
50			Minor Equipment		7,850	1,891	7,950	3,413	25%	9,950
51			Office Supplies		15,350	11,790	13,713	7,913	4%	14,313
52			Professional Services		86,817	68,639	118,118	60,999	0%	118,202
53			Publications/Public Notices		5,550	4,251	5,800	2,835	0%	5,800
54			Rents & Leases/Equipment		1,800	1,318	1,800	879	0%	1,800
55			Taxes and fees		733	0	733	0	0%	733
56			Technology		76,600	36,503	37,200	22,623	8%	40,200
57			Travel - Operations		33,300	10,550	33,300	11,175	6%	35,300
58			Utilities		16,200	17,611	19,879	11,998	-8%	18,208
59			<i>Total General & Administrative</i>		<i>470,598</i>	<i>392,389</i>	<i>502,684</i>	<i>254,468</i>	<i>0%</i>	<i>502,499</i>
60			Total Expense		4,967,704	5,493,397	6,140,015	3,518,439	-15%	5,211,558
61			Net Ordinary Income		(540,638)	132,161	(771,510)	100,433	-47%	(410,324)
62			Other Income							
63			Other Revenue							
65			Gain/Loss on Investments			64,196	55,000	36,718	14%	62,945
66			<i>Total Other Revenue</i>			<i>64,196</i>	<i>55,000</i>	<i>36,718</i>	<i>14%</i>	<i>62,945</i>
63			Other Expense							
64			Interest Expense		11,750	9,758	37,888	9,087	-59%	15,578
65			Depreciation Expense		58,162	60,633	52,000	0	17%	61,000
66			<i>Total Other Expense</i>		<i>69,912</i>	<i>70,391</i>	<i>89,888</i>	<i>9,087</i>	<i>-15%</i>	<i>76,578</i>
67			Net Other Income		(69,912)	(70,391)	(89,888)	(9,087)	-85%	(13,633)
68			Net Income		(610,550)	61,770	(861,398)	91,346	-51%	(423,956)

**Feather River Air Quality Management District
 2025/2026 Draft Budget
 July 2025 through June 2026**

				Approved Budget 23/24	23/24 Actuals	Approved Budget 24/25	24/25 YTD Actuals 75% of Budget	Upcoming Year Over Year Anticipated Budget Increase or (Decrease)	Total Budget 25/26
Statement of Financial Position									
(2)	Building-Current Debt Reduction					(26,138)			0
(2)	Fixed Assets Purchases					0			0
(2)	Capital Improvement Purchases					0			0
(2)	PARS Funding					39,510			
(1)	Use of Assigned Fund Balance					(595,387)			(246,259)
(2)	Use of Unassigned Fund Balance					(252,639)			(177,697)
	Net Use of Fund Balances					(848,026)			(423,956)

Feather River Air Quality Management District
2025/2026 Draft Budget
July 2025 through June 2026

		728 Fund												725 Fund	
		Total Budget 25/26	AB 197	AB 2766	AB 617	AB 923	CAP	Farmer	Moyer	Moyer State Reserve	Oil & Gas	Prescribed Fire	CHIRP	Subvention	Unrestricted
1	Ordinary Income/Expense														
2	Income														
7	Total Grants & Projects Revenue	2,869,696	10,000	0	0	0	1,226,224	300,000	806,111	349,361	75,000	15,000	0	88,000	0
19	Total Permits & Fees Revenue	1,742,539	0	612,000	0	300,900	0	0	0	0	0	0	0	0	829,639
23	Total Other Revenue	189,000	0	0	0	0	11,573	2,831	7,608	3,297	708	142	0	0	162,841
24	Total Income	4,801,235	10,000	612,000	0	300,900	1,237,796	302,831	813,719	352,658	75,708	15,142	0	88,000	992,480
25	Expense														
31	Total Program Activities	3,005,743	0	288,355	0	369,904	1,072,946	262,500	705,347	305,691	0	0	0	0	1,000
40	Total Human Resource Expenses	1,703,317	10,000	376,000	0	24,900	115,802	28,332	76,128	32,993	72,708	14,541	0	88,000	863,914
59	Total General & Administrative	502,499	0	100,000	0	0	49,049	12,000	32,244	13,974	3,000	600	0	0	291,631
60	Total Expense	5,211,558	10,000	764,355	0	394,804	1,237,796	302,832	813,719	352,658	75,708	15,141	0	88,000	1,156,545
61	Net Ordinary Income	(410,324)	(0)	(152,355)	0	(93,904)	0	(0)	(0)	(0)	0	0	0	0	(164,065)
62	Other Income														
63	Other Revenue														
65	Gain/Loss on Investments	62,945													62,945
66	Total Other Revenue	62,945													62,945
63	Other Expense														0
64	Interest Expense	15,578													15,578
65	Depreciation Expense	61,000													61,000
66	Total Other Expense	76,578	0	0	0	0	0	0	0	0	0	0	0	0	76,578
67	Net Other Income	(13,633)	0	0	0	0	0	0	0	0	0	0	0	0	(13,633)
68	Net Income	(423,956)	(0)	(152,355)	0	(93,904)	0	(0)	(0)	(0)	0	0	0	0	(177,698)

**Feather River Air Quality Management District
AB923 Allocated Project Funds**

Agenda Item 14

Attachment
2

Previously Allocated:

Project #	Description	\$ Amt.	Expiration	Paid Out YTD	Amount Remaining
AB923-27	Wheatland School District	\$165,000		\$165,000	\$0 Approved 12-4-23
AB923-28	Wheatland Union HS	\$165,000		\$165,000	\$0 Approved 12-4-23
AB923-30	YES Charter Academy	\$93,904		\$0	\$93,904 Approved 12/2024
AB923-29	Wheatland Union HS	\$46,000		\$46,000	\$0 Approved 12-4-23
BALANCE		\$469,904		\$376,000	\$93,904

Feather River Air Quality Management District
AB2766 Allocated Project Funds

Previously Allocated:

Project #	Description	\$ Amt.	Expiration	Paid Out YTD	Amount Remaining
N/A	FRAQMD Mini Project allocation for FY 24/25	\$20,500		\$4,655	\$15,845
N/A	FRAQMD Mini Project allocation for FY 23/24	\$14,200	*Various	\$9,252	\$4,948
VF 23-4	Yuba-Sutter Transit Discount Monthly Bus Pass Program	\$98,000		\$98,000	\$0
VF 23-6	Yuba Water Agency Employee Vanpool	\$20,000		\$17,133	\$0
VF 23-7	Playzeum Yuba Sutter Super Kids Save the World	\$6,000		\$6,000	\$0
VF 23-9	City of Yuba City Market Street Traffic Calming	\$41,000		\$0	\$41,000
VF 23-01, Expired	Yuba-Sutter Transit Discounted Bus Pass Program	\$100,000		\$47,000	\$0
VF 22-02	Yuba Water Agency Employee Ride Share Program	\$20,000		\$19,382	\$0
VF 23-09	City of Yuba City Market Street Traffic Calming	\$0		\$0	\$0
VF 24-02	Yuba-Sutter Transit Discounted Monthly Bus Pass Program	\$75,000		\$0	\$75,000
VF 24-03	Yuba Water Agency Employee Rider Share Program	\$30,000		\$3,793	\$26,207
VF 24-04	Playzeum Airways Play Exhibit - Trees Clean the Air	\$5,200		\$0	\$5,200
Balance		\$299,200		\$200,560	\$152,355