

FEATHER RIVER AIR QUALITY MANAGEMENT DISTRICT
MEMORANDUM
06/03/2024

TO: FRAQMD BOARD OF DIRECTORS
FROM: Christopher Brown AICP, APCO
SUBJECT: Conduct Public Hearing on the FY 24/25 Proposed budget.

RECOMMENDATION:

Conduct Public Hearing on the FY 24/25 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 projects only.

With the FY 24/25 budget, the District continues to maintain a financially healthy budget to meet liabilities and obligations.

DISCUSSION:

A Policy/Finance Committee meeting was held on May 2, 2024, to review the budget and discuss recommendations. After a thorough review, the Committee recommends the approval of the proposed budget.

The District previously implemented a new accrual accounting system, along with QuickBooks software. As part of this process, a new budget format was introduced with the 2020-2021 budget adoption to better align with the financial statements and enable real-time tracking of budget-to-actuals. Final adjustments to this format were made with the 2021-2022 budget adoption. This new format continues with the 2024-2025 fiscal year budget process, providing a streamlined layout for Board members and the general public.

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

Income

- Grants & Projects Revenue:
 - Total Grants & Projects Revenue decreased from \$2,713,119 to \$2,271,782, showing a -16% change. This decline is primarily due to a reduction in State Funding.
- Permits & Fees Revenue:
 - Total Permits & Fees Revenue increased from \$1,648,947 to \$1,723,759, reflecting a 5% growth. This improvement is primarily driven by a 15% increase in Annual Permits revenue, which rose from \$448,032 to \$515,121, and a 19% increase in Burn Permits revenue, which increased from \$76,165 to \$79,364. This increase aligns with projections made in anticipation of higher demand compared to the last fiscal year. The projected growth was based on a detailed analysis of market trends, economic conditions, and regulatory changes, which accurately forecasted the uptick in permit applications and subsequent revenue growth.
- Total Other Revenue saw a significant increase from \$65,000 to \$189,000, marking a +190% change, largely due to a drastic increase in Interest income from \$64,000 to \$188,000.
- Total Income:
 - Overall, Total Income decreased by 5% from \$4,427,066 to \$4,184,541.

Expense

- Program Activities:
 - Total Program Activities decreased from \$3,087,487 to \$2,854,271, showing an -8% change. This decline was influenced by a -17% decrease in State Incentives Programs from \$2,181,844 to \$1,820,684.
- Human Resource Expenses:
 - Total Human Resource Expenses increased from \$1,409,620 to \$1,486,016, marking a +5% change. Notable increases include a 5% rise in Salaries and Wages from \$1,016,483 to \$1,060,763 and a 9% rise in Employee Benefits from \$238,268 to \$260,835.
- General & Administrative:
 - Total General & Administrative Expenses slightly decreased by 3% from \$470,597 to \$495,228. Notable changes include a 50% increase in Legal Fees from \$50,000 to \$75,000 and a 51% decrease in Technology from \$76,600 to \$37,200.
- Total Expense:
 - Total Expenditure saw a decrease of 3% from \$4,967,704 to \$4,835,320.

Reserves

As of April 30th 2024, the Unassigned Fund Balance is \$5,018,549.

**Feather River Air Quality Management District
 2024/2025 Draft Budget
 July 2024 through June 2025**

					Approved 22/23 Budget	22/23 Actuals	Approved Budget 23/24	23/24 YTD Actuals 75% of Budget	Upcoming Year Over Year Anticipated Budget Increase or (Decrease)	Total Budget 24/25
1	Ordinary Income/Expense									
2	Income									
3	Grants & Projects Revenue									
4			Local Funding	0	0	0	0	0%	0	
5			State Funding	3,335,831	3,853,191	2,713,119	2,043,476	-16%	2,271,782	
6			Federal Funding	0	0	0	0	0%	0	
7			<i>Total Grants & Projects Revenue</i>	<i>3,335,831</i>	<i>3,853,191</i>	<i>2,713,119</i>	<i>2,043,476</i>	<i>-16%</i>	<i>2,271,782</i>	
8	Permits & Fees Revenue									
9			Air Toxics	3,000	5,297	3,000	4,403	0%	3,000	
10			Annual Permits	416,000	514,194	448,032	494,358	15%	515,121	
11			Burn Permits	70,720	64,645	76,165	58,539	4%	79,364	
12			Emission Reduction Credits	150	300	150	1,496	0%	150	
13			Indirect Source	34,000	48,586	34,000	27,690	0%	34,000	
14			New Permits	100,000	180,083	107,700	166,617	4%	112,223	
15			Penalty	60,000	123,480	60,000	33,082	0%	60,000	
16			PERP Inspections	25,000	29,223	25,000	0	0%	25,000	
17			State Motor Veh (AB2766 & AB923)	876,000	924,764	876,000	677,441	0%	876,000	
18			AB923 Admin Revenue	18,900	19,676	18,900	118,527	0%	18,900	
19			<i>Total Permits & Fees Revenue</i>	<i>1,603,770</i>	<i>1,910,248</i>	<i>1,648,947</i>	<i>1,582,153</i>	<i>5%</i>	<i>1,723,759</i>	
20	Other Revenue									
21			Miscellaneous	15,000	162	1,000	114	0%	1,000	
22			Interest	28,000	144,865	64,000	140,741	194%	188,000	
23			<i>Total Other Revenue</i>	<i>43,000</i>	<i>145,027</i>	<i>65,000</i>	<i>140,855</i>	<i>191%</i>	<i>189,000</i>	
24	Total Income				4,982,601	5,908,466	4,427,066	3,766,484	-5%	4,184,541
25	Expense									
26	Program Activities									
27	(1)		Previously Allocated Local Incentives Programs	620,493	244,589	492,643	226,468	26%	620,587	
28			Current Year Local Incentives Programs	412,000	2,000	412,000	2,500	0%	412,000	
29			Outreach Event Supplies (Non Grant Related)	1,000	569	1,000		0%	1,000	
30			State Incentives Programs (Pass Through)	2,699,166	2,566,389	2,181,844	1,155,427	-17%	1,820,684	
31			<i>Total Program Activities</i>	<i>3,732,659</i>	<i>2,813,547</i>	<i>3,087,487</i>	<i>1,384,395</i>	<i>-8%</i>	<i>2,854,271</i>	

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32				<i>Human Resource Expenses</i>						
33				CALPERS 457 Contribution	7,800	7,500	15,600	10,700	-100%	0
34				CO Share PERS	100,722	180,711	109,253	161,236	-100%	0
35				Employee Benefits	245,839	214,605	238,268	193,448	6%	253,250
36				PERKS Employee Benefits	500	464	500	29	0%	500
37				Payroll Taxes	20,069	14,703	20,330	14,125	5%	21,299
38				Salaries and Wages	991,796	921,577	1,016,483	740,173	5%	1,064,939
39				Workers Comp Insurance	8,879	8,587	9,186	7,951	51%	13,834
40				<i>Total Human Resource Expenses</i>	<i>1,375,605</i>	<i>1,348,147</i>	<i>1,409,620</i>	<i>1,127,662</i>	<i>-4%</i>	<i>1,353,822</i>
41				<i>General & Administrative</i>						
42				Accounting & Auditing	85,700	65,908	80,350	37,763	3%	82,718
43				BLDG & Maint/Improvement	288,700	27,507	37,025	5,948	4%	38,340
45				Communications	13,290	15,416	17,730	14,194	7%	18,920
46				Dues and subscriptions	5,126	5,118	5,201	1,650	10%	5,706
47				Insurance	27,685	27,343	32,092	30,305	6%	33,907
48				Legal Fees	50,000	36,175	50,000	51,793	50%	75,000
49				Maintenance/Equipment	4,000	119	4,000	1,030	15%	4,600
50				Minor Equipment	9,950	5,975	7,850	1,731	1%	7,950
51				Office Supplies	15,350	13,064	15,350	6,562	-11%	13,713
52				Professional Services	123,298	76,599	86,817	6,562	36%	118,118
53				Publications/Public Notices	5,550	3,898	5,550	3,233	5%	5,800
54				Rents & Leases/Equipment	1,800	1,490	1,800	988	0%	1,800
55				Taxes and fees	733	0	733	1,171	0%	733
56				Technology	111,300	73,255	76,600	17,855	-51%	37,200
57				Travel - Operations	24,900	8,990	33,300	9,310	0%	33,300
58				Utilities	14,590	16,561	16,200	12,159	6%	17,228
59				<i>Total General & Administrative</i>	<i>781,972</i>	<i>377,418</i>	<i>470,598</i>	<i>202,254</i>	<i>5%</i>	<i>495,033</i>
60				Total Expense	5,890,236	4,539,112	4,967,704	2,714,311	-5%	4,703,126
61				Net Ordinary Income	(907,635)	1,369,354	(540,638)	1,052,173	-4%	(518,585)

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62	Other Income/Expense									
63			<i>Other Expense</i>							
64			Interest Expense		11,750	11,702	11,750	10,402	-21%	9,302
65			Depreciation Expense		58,162	54,529	58,162	0	-11%	52,000
66			<i>Total Other Expense</i>		69,912	66,231	69,912	10,402	-12%	61,302
67	Net Other Income				(69,912)	(66,231)	(69,912)	(10,402)	-12%	(61,302)
68	Net Income				(977,547)	1,303,123	(610,550)	1,041,771	-5%	(579,887)
Statement of Financial Position										
	(2)	Building-Current Debt Reduction			(26,138)		(26,138)			(26,138)
	(2)	Fixed Assets Purchases			0		0			0
	(2)	Capital Improvement Purchases			0		0			0
	(2)	PERS Unfunded Liability			(79,008)		(200,000)		PARS Funding	0
	(2)	PERS Retiree OPEB			(3,000)		(300,000)		PARS Funding	0
	(1)	Use of Restricted Fund Balance			(415,993)		(492,643)			(620,587)
	(2)	Use of Unassigned Fund Balance			(511,383)		(644,045)			14,562
		Net Use of Fund Balances			(927,375)		(1,136,688)			(606,025)

**Feather River Air Quality Management District
 2024/2025 Draft Budget
 July 2024 through June 2025**

			728 Fund											725 Fund	
			Total Budget 24/25	AB 197	AB 2766	AB 617	AB 923	CAP	Farmer	Moyer	Moyer State Reserve	Oil & Gas	Prescribed Fire	Subvention	Unrestricted
1	Ordinary Income/Expense														
2	Income														
7		Total Grants & Projects Revenue	2,271,782	0	0	0	0	1,105,782	475,000	500,000	0	75,000	0	116,000	0
19		Total Permits & Fees Revenue	1,723,759	0	600,000	0	294,900	0	0	0	0	0	0	0	828,859
23		Total Other Revenue	189,000	0	0	0	0	11,974	5,144	5,414	0	812	0	0	165,656
24		Total Income	4,184,541	0	600,000	0	294,900	1,117,756	480,144	505,414	0	75,812	0	116,000	994,515
25	Expense														
31		Total Program Activities	2,854,271	0	380,587	0	652,000	967,559	415,625	437,500	0	0	0	0	1,000
40		Total Human Resource Expenses	1,353,822	0	364,000	0	18,900	105,966	34,519	67,915	0	75,813	0	116,000	570,710
59		Total General & Administrative	495,033	0	100,000	0	0	44,231	30,000	0	0	0	0	0	320,802
60		Total Expense	4,703,126	0	844,587	0	670,900	1,117,756	480,144	505,415	0	75,813	0	116,000	892,512
61		Net Ordinary Income	(518,585)	0	(244,587)	0	(376,000)	(0)	(0)	(0)	0	(0)	0	0	102,002
62	Other Income/Expense														
66		Total Other Expense	61,302	0	0	0	0	0	0	0	0	0	0	0	61,302
67		Net Other Income	(61,302)	0	0	0	0	0	0	0	0	0	0	0	(61,302)
68		Net Income	(579,887)	0	(244,587)	0	(376,000)	(0)	(0)	(0)	0	(0)	0	0	40,700

**Feather River Air Quality Management District
 AB923 Allocated Project Funds
 Final Budget As of 4/25/24**

Previously Allocated:

Project #	Description	\$ Amt.	Expiration	Paid Out YTD	Amount Remaining	
23-2	Wheatland School District	\$165,000		\$0	\$165,000	Approved 12-4-23
23-3	Wheatland Union HS	\$165,000		\$0	\$165,000	Approved 12-4-23
23-4	Wheatland Union HS	\$46,000		\$0	\$46,000	Approved 12-4-23
BALANCE		\$376,000		\$0	\$376,000	

**Feather River Air Quality Management District
 AB2766 Allocated Project Funds
 Final Budget As of 4/25/24**

Previously Allocated:

Project #	Description	\$ Amt.	Expiration	Paid Out YTD	Amount Remaining	
N/A	FRAQMD	\$16,000	*Various	\$0	\$16,000	
N/A	FRAQMD	\$14,000	*Various	\$6,000	\$8,000	
VF 23-4	Yuba-Sutter Transit	\$98,000		\$0	\$98,000	Approved 12-4-23
VF 23-6	Yuba Water Agency	\$20,000		\$0	\$20,000	Approved 12-4-23
VF 23-7	Playzeum Yuba Sutter	\$6,000		\$0	\$6,000	Approved 12-4-23
VF 23-9	City of Yuba City	\$41,000		\$0	\$41,000	Approved 12-4-23
VF 23-01	Yuba-Sutter Transit	\$100,000		\$47,000	\$53,000	Approved 12-5-22
VF 22-02	Yuba Water Agency	\$20,000		\$17,413	\$2,587	Approved 12-5-22
Balance		\$315,000		\$70,413	\$244,587	