

FEATHER RIVER AIR QUALITY MANAGEMENT DISTRICT
MEMORANDUM
06/03/2019

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

RECOMMENDATION:

Approve the Proposed Budget.

ALTERNATIVE:

Do not approve the Proposed Budget.

BACKGROUND:

A Policy/Finance meeting was held on 05/24/19 where the Committee recommended approval of the proposed budget.

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.

The District is recommending to the Committee as part of the budget adoption process, a Consumer Price Index increase of 3.6% 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.

With the FY 19/20 budget, both revenues and expenses have increased substantially. The District continues to maintain a financially healthy budget in order to meet liabilities and obligations.

DISCUSSION:

Page 1, Salaries and Benefits: The increase to Salary and Benefits is 15%. The increase is due to the addition of an employee, negotiated vacation buy-back (hours allowed to be

bought-back increased from last year 20 hrs. per employee to 40 hrs. per employee), an anticipated insurance increase of 10% and step increases.

The new employee was approved to be hired by the Board at the December 3, 2018 meeting in order to off-set select administrative hours for the new grants received from the ARB so there is also an increase to revenues.

Page 1, Services and Supplies subtotal reflects a 43% increase for an Overall Operational Total increase of 22%. Increases have been footnoted below the category. Pages 4, 5, and 6 are the listing of Services and Supplies recap that breaks down the allocations by subcategory.

Page 2, External Expense: Is the District's unfunded liability for CalPERS. This number is subject to change with the final budget as the actual invoice has not been received by CalPERS to date.

Page 2, Grants: These are projects that have been awarded but not expended. This number will also be revised with the final budget as payments will be made before the final budget is adopted.

Total expenses that include Salaries, Services and Supplies, CalPERS and Grants reflects a 21% increase over last fiscal year.

Page 3, Subtotal Revenues: Reflects a 19% increase by incorporating the 3.6% CPI, the new revenue category (9894) for Grants – Administration and the increase to the (9899-3) AB 617 Grant award. The revenue carry-over is up by 7% and 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.

Total Revenues are up by 11%.

The District has increased the Future Reserve Costs due to future obligations that may be unfunded. There may be unfunded grant liabilities for future general grant tracking.

Page 7, Allocated Project Funds: Is a breakdown of each project allocated but still outstanding to date.

Page 8, Fees: Is a listing of District fees that will be affected by the CPI increase.

FUND #725

SALARIES AND BENEFITS		Budgeted	Budgeted	Proposed	FY 18/19 vs. FY 19/20 increase or (decrease)
Account #	Description	FY 17/18	FY18/19	FY19/20	
0101	Salaries	749,147	770,514	850,982	9%
0101	Vacation buy-back	0	2,719	5,438	50%
0101-1	CalPERS 457 Contribution	6,000	6,000	6,600	9%
0101-2	Bi-lingual benefit	600	600	600	0%
0104	Overtime	1,000	1,000	1,000	0%
0205	Medicare	11,986	12,328	13,616	9%
0201	PERS - employee	10,453	0	0	0%
0202	PERS - employer	72,636	75,011	84,374	11%
0204	Group Health Ins.	178,557	153,487	209,671	¹ 27%
0206	Workers Comp.	11,043	14,102	16,312	14%
0208	Unemployment Ins.	3,850	4,550	4,550	0%
SALARY TOTAL		1,045,272	1,040,311	1,193,143	² 15% increase or (decrease)
SERVICE AND SUPPLIES		FY 17/18	FY18/19	FY19/20	increase or (decrease)
1200	Communications	10,124	10,536	10,582	0%
1500	Insurance Property/Liability	14,530	15,700	17,050	9%
1700	Maintenance - Equip	3,240	3,275	4,675	³ 43%
1800	Building Maint/Improvements	35,800	68,835	88,915	⁴ 29%
2000	Memberships	2,500	2,700	2,700	0%
2200	Office Supplies	15,770	21,080	25,580	⁵ 21%
2300	Professional Services/legal fees	144,700	127,050	192,850	⁶ 52%
2301	Consultant	27,500	27,500	80,000	⁷ 191%
2400	Publications	3,750	3,750	4,650	⁸ 24%
2500	Rent & Lease Equipment	2,145	1,690	1,820	8%
2600	Building/Lease - Struct	37,889	37,889	37,889	0%
2700	Small Tools	400	600	600	0%
2900	Travel-meetings	9,500	9,500	10,000	5%
2901	Transportation-gas/maintenance	7,500	8,000	9,000	13%
2902	Transportation - Priv	1,600	1,600	3,100	⁹ 94%
3000	Utilities	10,950	11,200	12,200	9%
6003	Fixed Assets	5,000	0	40,000	0%
SUB-TOTAL SERVICES/SUPPLIES		332,898	350,905	541,611	54.3%
OPERATIONAL TOTAL		1,378,170	1,391,216	1,734,754	24.7%

¹ (02-04) Health increase due to 1.8% increase that was 9.8% increase in FY18/19 - requesting \$6,000 budget transfer - will change to 24%.

Budgeted open Engineering position w/family coverage.

² Salary increase due to additional employee, negotiated vacation buy-back, 10% increase to health and step increases.

³ (1700) Small number - increased computer upgrades.

⁴ (1800) Increased the office remodel to allow for the additional employee.

⁵ (2200) Increased office furniture to allow for the additional employee.

⁶ (2300) Increased legal services and Air Quality forecasting for all year.

⁷ (23-01) Added GASB Actuarials, Gov Invest, Grants Planning Consultant and increased for the Accounting System implementation.

⁸ (2400) Small number - increased public notices.

⁹ (2902) Small number - increased personal vehicle reimbursement.

FUND #725

		Budgeted	Budgeted	Proposed	FY 18/19 vs. FY 19/20 Increase or (decrease)
		FY 17/18	FY 18/19	FY 19/20	
CALPERS					
0202-1	PERS Unfunded Liability	35,327	45,884	58,972 ¹⁰	22%
0204-1	PERS Retiree OPEB	3,000	3,000	3,000	0%
CalPERS TOTAL		38,327	48,884	61,972	20.0%
GRANTS					
2810	AB2766 Blue Sky Project Allocation	250,000	250,000	250,000	0%
AB2766 BLUE SKY PROJECT TOTAL		250,000	250,000	250,000	0.0%
Encumbered Projects awarded					
2810	not expended	218,404	251,574	346,815 ¹¹	38%
TOTAL EXPENSES		1,884,901	1,941,674	2,393,541	23.3%

¹⁰ (0202-1) Increased 22% as it is an estimate only - the final budget will reflect actual liability incurred.

¹¹ Encumbered Projects awarded - but not expended. This is expected to be revised with the final budget as payment are made.

FEATHER RIVER AQMD
 FY 2019/2020 PROPOSED
 REVENUE

FUND #725

Page 3

Account #	Description	Budgeted FY 17/18	Budgeted FY 18/19	Proposed Budget FY 19/20	FY 18/19 vs. FY 19/20 increase or (decrease)
1611	Annual Permits	340,000	360,000	380,000	6%
1612	New Applications	75,000	70,000	73,000	4%
1612-1	Engine Registration	35,000	36,000	37,000	3%
1612-2	PERP Inspections	23,000	18,000	20,000	11%
1613	Open Burning	68,000	68,000	65,000	-4%
1614	Oil and Gas Program Grant	0	75,000	75,000	0%
2201	Penalties	35,000	30,000	40,000	33%
4201	AB2766 Blue Sky DMV	536,000	540,000	565,000	5%
9825	Interest	14,000	20,000	26,000	30%
6201	State Subvention	93,000	68,800	68,800	0%
6201-01	State Subvention - Supplemental	0	24,200	20,000	-17%
9890	Indirect Sources	20,000	22,000	22,000	0%
9891	Air Toxics Hot Spots	20,000	5,000	5,000	0%
9892	Emission Reduction Credits	400	400	200	-50%
9893	DTSC	1,000	1,000	500	-50%
9894	Grants - Admin	0	0	145,000 ¹²	100%
9899	Miscellaneous	3,100	3,100	3,100	0%
9899-1	AB923 Admin	60,000	17,000	17,000	0%
9899-2	Moyer Admin	0	43,000	45,000	5%
9899-3	AB 617 Community Air Protection Grant	0	28,961	90,634 ¹³	213%
SUBTOTAL REVENUE		1,323,500	1,430,461	1,698,234	18.7%
727	Prior Fiscal Year Carry Over	0	0	0	
725	Prior Fiscal Year Carry Over	2,140,327	2,287,061	2,446,721	
REVENUE CARRY OVER		2,140,327	2,287,061	2,446,721	7.0%
TOTAL REVENUE		3,463,827	3,717,522	4,144,955	11.5%
RESERVES					
8001	General Reserves	600,000	600,000	537,241	
8002	Capital Improvement	101,241	235,397	297,722	
8003	Appropriation to Contingencies	706,685	621,451	506,451	
2801	AB2766 Blue Sky Project Reserves	53,000	53,000	53,000	
RESERVE SUB TOTAL:		1,460,926	1,509,848	1,394,414	
8001	Future General Grant (tracking)	0	100,000	200,000	
8003	Future Vehicle Expense	20,000	50,000	30,000	
8003	Cal Pers Unfunded Liability	38,000	56,000	67,000	
8003	GASB 45 OPEB Cost	60,000	60,000	60,000	
FUTURE RESERVE COST		118,000	266,000	357,000	
RESERVE TOTAL:		1,342,926	1,775,848	1,037,414	-41.6%
TOTAL REVENUE:		1,884,901	1,941,674	2,393,541	18.9%
fund balance		0	0	0	

¹² (9894) is a new revenue account in order to track grant admin revenues.

¹³ (9899) is the proposed administrative amount for the Air Protection Grant.

SERVICES AND SUPPLIES RECAP

	FY 17/18	FY 18/19	FY 19/20
1200 Communications	\$10,124	\$10,536	\$10,582
Subcategories: Office Telephones	\$4,000	\$4,550	\$4,550
Mobile Telephones	\$2,100	\$1,625	\$1,625
E-Fax	\$220	\$240	\$300
Mobile Data - Tablets (3)	\$457	\$494	\$1,500
* E-Bam Satellite	\$0	\$0	\$600
Exchange Mailbox	\$1,740	\$1,620	\$0
Internet host	\$150	\$150	\$150
Verizon Hotspot	\$457	\$457	\$457
Portable Headsets	\$500	\$500	\$500
Telephone Repair	\$500	\$900	\$900
1500 Insurance *	\$14,530	\$15,700	\$17,050
Subcategories: Liability/Auto/Property	\$13,180	\$14,250	\$15,500
SDRMA Certificates of Insurance	\$50	\$50	\$50
SDRMA Membership Fee	\$1,300	\$1,400	\$1,500
1700 Maintenance - Equipment	\$3,240	\$3,275	\$4,675
Subcategories: Computer System Upgrades	\$2,000	\$2,000	\$4,000
Equipment Repair	\$200	\$200	\$200
Computer Back-ups	\$240	\$275	\$275
E-Bam Satellite	\$600	\$600	\$0
E-Bam maintenance	\$200	\$200	\$200
1800 Bldg. Maint/Improvement *	\$35,800	\$68,835	\$88,915
Subcategories: Property Mgmt. Fee	\$900	\$975	\$975
Gardener	\$1,300	\$1,040	\$1,040
Pest Control	\$500	\$520	\$600
Security Patrol	\$3,600	\$3,900	\$3,900
Service Calls	\$4,800	\$2,400	\$2,400
Building Repair/Improvements	\$24,700	\$20,000	\$20,000
Office Remodel	\$0	\$40,000	\$60,000
2000 Memberships	\$2,500	\$2,700	\$2,700
Subcategories: CAPCOA	\$2,000	\$2,000	\$2,000
Other	\$2,500	\$700	\$700
2200 Office Supplies	\$15,770	\$21,080	\$25,580
Subcategories: General Office	\$5,000	\$5,000	\$5,000
Janitorial Supplies	\$250	\$280	\$280
Printing	\$1,300	\$1,300	\$1,300
Postage	\$3,000	\$3,200	\$3,200
Copier Maintenance	\$720	\$500	\$800
Computer Software	\$2,500	\$2,500	\$2,500
Compliance Tablets	\$0	\$300	\$0
Office Furniture	\$2,500	\$2,500	\$6,000
Employee Appreciation	\$500	\$500	\$500
Laptop	\$0	\$1,000	\$2,000
Computer Replacement	\$0	\$4,000	\$4,000

	FY 17/18	FY 18/19	FY 19/20
2300 Professional Services	\$144,700	\$127,050	\$192,850
Subcategories: BCC Coordinator	\$15,250	\$15,250	\$15,000
Payroll Services	\$2,000	\$2,000	\$2,000
Fiscal Audit	\$8,500	\$8,500	\$12,500
Services - Yuba	\$6,000	\$6,000	\$4,000
Legal Services	\$70,000	\$50,000	\$75,000
Board of Directors	\$8,000	\$8,000	\$8,000
Hearing Board	\$500	\$500	\$500
ARB Hot Spots	\$20,000	\$5,000	\$5,000
Safety & Compliance	\$1,500	\$1,500	\$2,000
Education Reimbursement	\$2,000	\$2,000	\$2,000
Alarm Surveillance	\$500	\$500	\$500
BCC Meeting Reimbursement	\$350	\$450	\$450
Microsoft Office - 365	\$0	\$0	\$5,000
Janitorial Services	\$6,800	\$6,800	\$6,800
Western Weather Services	\$350	\$350	\$400
Local Tax Assessment	\$550	\$600	\$600
Streamline Website Services	\$2,400	\$2,600	\$3,100
Air Quality Forecasting (AB617)	\$0	\$17,000	\$50,000
2301 Consultant	\$27,500	\$27,500	\$80,000
Subcategories: GASB Actuarials	\$0	\$0	\$3,000
Engineering Consultant	\$15,000	\$10,000	\$15,000
Gov Invest	\$0	\$0	\$15,000
Grants Planning Consultant	\$5,000	\$2,500	\$15,000
Accounting System	\$7,500	\$15,000	\$35,000
2400 Publications-Public Notices	\$3,750	\$3,750	\$4,650
Rule Publication	\$300	\$300	\$400
Appeal Democrat	\$150	\$150	\$150
CalPERS GASB 68 Report	\$1,300	\$1,300	\$1,000
Permit Publications	\$500	\$500	\$600
Public Notices	\$1,500	\$1,500	\$2,500
2500 Rents & Lease Equipment (copier)	\$2,145	\$1,690	\$1,820
2600 Lease - Building	\$37,889	\$37,889	\$37,889
2700 Small Tools	\$400	\$600	\$600
Binoculars - Compliance	\$200	\$200	\$200
Cameras	\$0	\$200	\$200
Scientific Calculator	\$200	\$200	\$200

SERVICES AND SUPPLIES RECAP

	FY 17/18	FY 18/19	FY 19/20
Travel-meetings/training	\$9,500	\$9,500	\$10,000
Subcategories: CAPCOA APCO Meetings	\$3,000	\$3,000	\$3,000
EEP, TAC, BCC Meetings	\$200	\$200	\$200
Training	\$3,000	\$3,000	\$3,500
CAPCOA Mgr. Meetings	\$2,000	\$2,000	\$2,000
Planning Meetings	\$1,000	\$1,000	\$1,000
Safety Training	\$300	\$300	\$300
2901 Travel - veh fuel/maint *	\$7,500	\$8,000	\$9,000
Subcategories: Fuel (4 vehicles)	\$2,500	\$3,000	\$4,000
Maintenance	\$5,000	\$5,000	\$5,000
2902 Travel - personal vehicle	\$1,600	\$1,600	\$3,100
Personal Vehicle Use	\$500	\$500	\$500
Alternate Transportation Subsidy	\$100	\$100	\$100
APCO Vehicle Use	\$1,000	\$1,000	\$2,500
3000 Utilites (gas/electric)	\$10,950	\$11,200	\$12,200
Subcategories: PG&E	\$9,000	\$9,000	\$9,800
Water Services	\$1,200	\$1,450	\$1,500
Trash	\$750	\$750	\$900
TOTAL - SERVICES & SUPPLIES	\$327,898	\$350,905	\$501,611
60-03 Fixed Assets	\$5,000	\$0	\$40,000
Subcategories: computer replacement	\$4,000	\$0	\$0
Survelliance Cameras	\$0	\$0	\$0
Laptop Computer	\$1,000	\$0	\$0
Oil/Gas-Farmer Vehicle	\$0	\$0	\$40,000
TOTAL	\$332,898	\$350,905	\$541,611

FY 19/20
FEATHER RIVER AQMD
AB2766 ALLOCATED PROJECT FUNDS

5/9/2019

Project #	Project Description	\$ Amt.	Expiration
N/A	FRAQMD Outreach Projects	\$2,000	*Various
N/A	FRAQMD Mini Project allocation for FY 19/2	\$15,000	*Various
N/A	FRAQMD Outstanding Mini Projects	\$8,000	*Various
VF17-04	City of Yuba City Sanborn Rd Improvement (I)	\$86,900	12/31/2019
VF18-01	Yuba-Sutter Transit Bus Pass	\$120,000	3/31/2020
VF18-02	Yuba-Sutter Transit Bus Stop	\$12,000	12/31/2019
VF18-03	Yuba-Sutter Transit Live Oak Expansion	\$7,500	12/31/2019
VF18-04	Sutter County AG Kill the Bug	\$2,160	12/31/2019
VF18-05	City of Yuba City School Crossing	\$80,000	12/31/2019
VF18-06	Yuba Water Agency Ride Share	\$11,458	12/31/2019
N/A	First Thursday Dinners	\$1,500	N/A
BALANCE		\$346,518	

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

REGULATION VII - FEES

3.00% 3.60%

Rules affected by the Final FY 19/20 CPI Adjustment

Rule	Fee Source	CPI	
		FY 18/19	FY 19/20
7.4(B)	Application for New or Modified - Filing Fee	\$138.00	\$143.00
7.6(B)(1)	Renewal - Base Fee	\$101.00	\$104.50
7.6(B)(2)(a)	Renewal - Emissions /ton (TOG, NOx, SOx, PM)	\$9.23	\$9.56
7.6(B)(2)(b)	Renewal - Emissions /ton (CO)	\$2.33	\$2.41
7.7(A)	Billable Rate	\$84.00	\$87.00
7.7(A)	Billable Rate - Expedite	\$129.00	\$130.00
7.12	Transfer Fee	\$41.00	\$42.50

Other Fees Specified in Regulation VII

Rule	Fee Source	
7.1(A)	Hearing Board Filing Fee	\$112.00
7.1(B)	Hearing Board Per Diem Fee (per member)	\$50.00
7.5(A)(1)	Notification of Operation - Well Drilling	\$105.00
7.8(A)(1)	Ag Burning Base Fee	\$42.00
7.8(A)(2)	Rice Acre Additional Fee (per acre)	\$0.85
7.8(A)(3)	Additional Fee fields over 20 acres (per acre)	\$0.42
7.8(A)(4)	Orchard Removal Not Meeting Drying time (p/orcl	\$85.00
7.8(B)	Residential Burning	\$25.00
7.8(C)	Special Burning no inspection	\$34.00
7.8(C)	Special Burning with inspection	\$85.00
7.10(B)(1)	Indirect Source Fee - Residential (per unit)	\$15.00
7.10(B)(2)	Indirect Source Fee - Commercial (per square foot)	\$0.06
7.10(B)(3)	Indirect Source Fee - Industrial (per square foot)	\$0.04
7.11(A)	ERC - Biomass Open Burning	\$60.00
7.11(B)	ERC - Other Sources	\$224.00
7.11(C)	ERC - Modification of Certificate	\$30.00
7.11(D)	ERC - Transfer of Certificate	\$30.00
7.11(F)	ERC - Replacement Certificate	\$30.00

Other Fees Not Specified in the Regulation

Rule	Fee Source	References Rule
7.1(C)	District Time at Billable Rate	7.7
7.1(D)	Transcript Costs	cost
7.2	Analysis Fee	cost
7.3	Technical Report Fee	cost & 7.7
7.9(C)	Air Toxics Hot Spots	7.7, H&S 90700,