

FEATHER RIVER AIR QUALITY MANAGEMENT DISTRICT
MEMORANDUM
06/05/2023

TO: FRAQMD BOARD OF DIRECTORS
FROM: Christopher Brown AICP, APCO
SUBJECT: Approve adoption of the FY 23/24 Proposed budget.

RECOMMENDATION:

Approve adoption of the FY 23/24 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 23/24 budget, the District continues to maintain a financially healthy budget to meet liabilities and obligations.

The District is recommending a Consumer Price Index increase of 7.7% 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.

DISCUSSION:

A Policy/Finance Committee meeting was held to review the budget and discuss recommendation on 05/02/23. After a thorough review of the budget, the Committee recommends approval of the proposed budget.

The District previously implemented a new accrual accounting system, along with new accompanying software, QuickBooks. As part of that process, a new budget format was implemented with the 20/21 budget adoption to better align with the financial statements and allow better real time tracking of budget to actuals. Final adjustments to the format were made with the 21/22 budget adoption. This new format continues with the 23/24 fiscal year budget process and provides a streamlined viewing layout for the Board members and the general public.

The District is anticipating more revisions with final budget due to the rapidly changing state and federal budgets.

Income

Grants & Projects Revenue

State Funding (Line 5): Total reduction in funding by 19%. CAP funding reduced by \$82K, Moyer funding reduced by \$150K, Farmer funding reduced by \$359K. This line item includes restricted and non-restricted funding sources.

Permits & Fees Revenue

Annual, Burn, and New Permits & Fees Revenue (Lines 10,11,14): Increase in annual and new permits based on CPI index adjustment of 7.7%.

Other Revenue

Total Other Revenue (Line 23): Miscellaneous revenue reduced, and Interest revenue increased over prior year's budget based on 22/23 actual trends.

Expense

Program Activities

Previously Allocated Local Incentives Programs (Line 27): AB 2766 and AB 923 projects awarded but not expended has decreased by 18%. This number may be revised with the final budget if payments will be made before the current fiscal year closes. You can find a listing of these current outstanding projects on Pages 8 and 9.

Current Year Local Incentives Programs (Line 28): Reflects expenditures set aside for anticipated projects to be awarded in FY 23/24.

State Incentives Programs (Pass-Through)(Line 30): Shows all restricted grant expenses for projects. In alignment with the decreased State Funding revenues, anticipating a reduction of 19% in restricted expenses.

Human Resource Expenses (Line 32)

Human Resource expenditures are projected to increase by 5% for FY 23/24. Annual increase in health benefit premiums of 5-13% expected. Annual salary increases of 5% plus appropriate step increases.

General & Administrative Expenses

General & Administrative expenditures are projected to decrease by 27% for FY 23/24.

Accounting & Auditing (Line 42): 11% reduction in Accounting & Auditing expense due to cost for completion of two audits included in past fiscal year.

BLDG & Maint/Improvement (Line 43): 45% reduction is due to an HVAC replacement project included in prior fiscal year.

Insurance (Line 47): Increase is based on actual estimates provided from SDRMA.

Minor Equipment (Line 50): Less purchases of minor equipment anticipated with this fiscal year.

Professional Services (Line 52): Annual reduction due to reduction in needs from an outside HR consultant.

Technology (Line 56): Reduction in database project costs by 31% from 22/23.

Utilities (Line 58): 11% Increase in utilities is based on 22/23 actual trends.

Reserves

As of March 31, 2023, the Unassigned Fund Balance is \$4,020,774.

Feather River Air Quality Management District
2023/2024 Draft Budget
July 2023 through June 2024

				Approved 21/22 Budget	21/22 YTD Actuals	Approved 22/23 Budget	22/23 YTD Actuals 75% of Budget	Upcoming Year Over Year Anticipated Budget Increase or (Decrease)	Total Budget 23/24
1	Ordinary Income/Expense								
2	Income								
3		<i>Grants & Projects Revenue</i>							
4		Local Funding		0	0	0	0	0%	0
5		State Funding		3,602,923	646,196	3,335,831	2,693,689	-19%	2,713,119
6		Federal Funding		0	0	0	0	0%	0
7		<i>Total Grants & Projects Revenue</i>		3,602,923	646,196	3,335,831	2,693,689	-19%	2,713,119
8		<i>Permits & Fees Revenue</i>							
9		Air Toxics		3,500	1,916	3,000	5,297	0%	3,000
10		Annual Permits		400,000	420,554	416,000	494,120	8%	448,032
11		Burn Permits		68,000	70,926	70,720	52,862	8%	76,165
12		Emission Reduction Credits		150	0	150	270	0%	150
13		Indirect Source		34,000	28,245	34,000	37,325	0%	34,000
14		New Permits		73,000	215,171	100,000	126,222	8%	107,700
15		Penalty		70,000	1,940,455	60,000	93,824	0%	60,000
16		PERP Inspections		25,000	25,953	25,000	29,223	0%	25,000
17		State Motor Veh (AB2766 & AB923)		860,000	926,279	876,000	661,785	0%	876,000
18		AB923 Admin Revenue		18,000	12,654	18,900	11,042	0%	18,900
19		<i>Total Permits & Fees Revenue</i>		1,551,650	3,642,153	1,603,770	1,511,970	3%	1,648,947
20		<i>Other Revenue</i>							
21		Miscellaneous		19,250	11,531	15,000	20	-93%	1,000
22		Interest		40,000	33,782	28,000	48,637	129%	64,000
23		<i>Total Other Revenue</i>		59,250	45,313	43,000	48,657	51%	65,000
24		Total Income		5,213,823	4,333,662	4,982,601	4,254,316	-11%	4,427,066
25		Expense							
26		<i>Program Activities</i>							
27		(1)	Previously Allocated Local Incentives Programs	671,324	629,531	620,493	212,460	-18%	509,849
28			Current Year Local Incentives Programs	441,000	2,000	412,000	2,000	0%	412,000
29			Outreach Event Supplies (Non Grant Related)	1,000	571	1,000	0	0%	1,000
30			State Incentives Programs (Pass Through)	2,945,172	668,806	2,699,166	1,245,854	-19%	2,181,844
31			<i>Total Program Activities</i>	4,058,496	1,300,908	3,732,659	1,460,314	-17%	3,104,693

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32				<i>Human Resource Expenses</i>						
33				CALPERS 457 Contribution	7,800	7,500	7,800	5,500	100%	15,600
34				CO Share PERS	92,549	173,764	100,722	158,893	-2%	99,152
35				Employee Benefits	214,417	201,121	245,839	180,130	13%	277,585
36				PERKS Employee Benefits	500	231	500	0	0%	500
37				Payroll Taxes	19,636	14,663	20,069	11,398	1%	20,330
38				Salaries and Wages	964,764	936,755	991,796	686,378	2%	1,016,483
39				Workers Comp Insurance	13,574	7,532	8,879	8,587	3%	9,186
40				<i>Total Human Resource Expenses</i>	<i>1,313,241</i>	<i>1,341,566</i>	<i>1,375,605</i>	<i>1,050,886</i>	<i>5%</i>	<i>1,438,837</i>
41				<i>General & Administrative</i>						
42				Accounting & Auditing	65,040	58,770	85,700	39,097	-11%	76,000
43				BLDG & Maint/Improvement	67,940	26,089	288,700	34,796	-45%	157,925
45				Communications	13,700	13,228	13,290	10,701	6%	14,130
46				Dues and subscriptions	4,200	4,672	5,126	1,634	1%	5,201
47				Insurance	24,100	23,019	27,685	27,343	16%	32,092
48				Legal Fees	50,000	268,211	50,000	10,325	0%	50,000
49				Maintenance/Equipment	4,000	335	4,000	112	0%	4,000
50				Minor Equipment	12,900	8,530	9,950	1,506	-21%	7,850
51				Office Supplies	15,300	14,397	15,350	8,826	0%	15,350
52				Professional Services	100,247	82,862	123,298	74,423	-31%	84,886
53				Publications/Public Notices	5,550	3,002	5,550	3,334	0%	5,550
54				Rents & Leases/Equipment	1,800	1,071	1,800	1,050	0%	1,800
55				Taxes and fees	600	0	733	0	0%	733
56				Technology	80,250	63,509	111,300	40,180	-31%	76,600
57				Travel - Operations	23,500	10,210	24,900	6,833	2%	25,300
58				Utilities	14,320	14,807	14,590	12,658	11%	16,200
59				<i>Total General & Administrative</i>	<i>483,447</i>	<i>592,712</i>	<i>781,972</i>	<i>272,818</i>	<i>-27%</i>	<i>573,617</i>
60				Total Expense	5,855,184	3,235,186	5,890,236	2,784,018	-13%	5,117,147
61				Net Ordinary Income	(641,361)	1,098,476	(907,635)	1,470,298	-24%	(690,080)

**Feather River Air Quality Management District
2023/2024 Draft Budget
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62	Other Income/Expense									
63	<i>Other Expense</i>									
64				Interest Expense	12,936	12,284	11,750	11,706	0%	11,750
65				Depreciation Expense	58,162	55,351	58,162	0	0%	58,162
66				<i>Total Other Expense</i>	71,098	67,635	69,912	11,706	0%	69,912
67	Net Other Income				(71,098)	(67,635)	(69,912)	(11,706)	0%	(69,912)
68	Net Income				(712,459)	1,030,841	(977,547)	1,458,592	-22%	(759,992)
	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
	(2)	PERS Unfunded Liability			(82,164)		(79,008)			(79,008)
	(2)	PERS Retiree OPEB			(3,000)		(3,000)			(3,000)
	(1)	Use of Restricted Fund Balance			(671,324)		(415,993)			(509,849)
	(2)	Use of Unassigned Fund Balance			(152,437)		(511,383)			(358,289)
		Net Use of Fund Balances			(823,761)		(927,375)			(868,138)

**Feather River Air Quality Management District
2023/2024 Draft Budget
July 2023 through June 2024**

		728 Fund											725 Fund	
		Total Draft Budget 23/24	AB 197	AB 2766	AB 617	AB 923	CAP	Farmer	Moyer	Moyer State Reserve	Oil & Gas	Prescribed Fire	Subvention	Unrestricted
Ordinary Income/Expense														
Income														
	Total Grants & Projects Revenue	2,713,119	9,583	0	50,000	0	1,134,136	859,400	500,000	0	75,000	0	85,000	0
	Total Permits & Fees Revenue	1,648,947	0	600,000	0	294,900	0	0	0	0	0	0	0	754,047
	Total Other Revenue	65,000	0	0	0	0	11,608	8,796	5,118	0	768	0	0	38,710
	Total Income	4,427,066	9,583	600,000	50,000	294,900	1,145,744	868,196	505,118	0	75,768	0	85,000	792,757
Expense														
	Total Program Activities	3,104,693	0	280,849	0	641,000	992,369	751,975	437,500	0	0	0	0	1,000
	Total Human Resource Expenses	1,438,837	9,083	364,000	50,000	18,900	108,010	86,222	67,618	0	75,768	0	85,000	574,237
	Total General & Administrative	573,617	500	100,000	0	0	45,365	30,000	0	0	0	0	0	397,752
	Total Expense	5,117,147	9,583	744,849	50,000	659,900	1,145,744	868,197	505,118	0	75,768	0	85,000	972,988
	Net Ordinary Income	(690,080)	(0)	(144,849)	(0)	(365,000)	0	(0)	(0)	0	0	0	0	(180,231)
Other Income/Expense														
	Total Other Expense	69,912	0	0	0	0	0	0	0	0	0	0	0	69,912
	Net Other Income	(69,912)	0	0	0	0	0	0	0	0	0	0	0	(69,912)
	Net Income	(759,992)	(0)	(144,849)	(0)	(365,000)	0	(0)	(0)	0	0	0	0	(250,143)

**Feather River Air Quality Management District
2023/2024 AB923 Allocated Project Funds
Draft Budget**

Agenda Item 11

Previously Allocated:

Project #	Description	\$ Amt.	Expiration	Paid Out	Amount
				YTD	Remaining
22-1	MJUSD Replace 1995 School Bus	\$100,000		0	\$100,000 Approved 12-5-22
22-4	Plumas Lake Elementary School District Replace 2000 School Bus	\$165,000		0	\$165,000 Approved 12-5-22
21-1	MJUSD Replace 1995 School Bus	\$100,000		0	\$100,000 Approved 12-6-21
BALANCE		\$880,000		\$515,000	\$365,000

**Feather River Air Quality Management District
2023/2024 AB2766 Allocated Project Funds
Draft Budget**

Previously Allocated:

Project #		Description	\$ Amt.	Expiration	Paid Out YTD	Amount Remaining
N/A	FRAQMD	Mini Project allocation for FY 22/23	\$16,000	*Various	\$5,978	\$10,022
VF 22-01	Yuba-Sutter Transit	Discounted Buss Pas Program	\$90,000		\$45,040	\$44,960 Approved 12-5-22
VF 22-02	Yuba Water Agency	Employee Ride Share Program	\$10,000			\$10,000 Approved 12-5-22
VF 20-01	Wheatland High	Alternative Fuel Structure	\$15,000	5/22/2022	\$1,782	\$13,218 Approved 12-7-20
VF 20-07	Yuba Sutter Transit	Discount Monthly Pass	\$72,000	3/31/2023	\$59,170	\$12,830 8/2/21 Consolidated and extended with
VF 19-02	Yuba Sutter Transit	Discount Monthly Bus Pass	\$142,000	3/31/2023	\$88,180	\$53,820 3/31/23 expiration date
BALANCE			\$597,500			\$144,849

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

REGULATION VII - FEES

7.70%

Rules affected by the Final FY 23/24 CPI Adjustment

Rule	Fee Source	4.00%	7.70%
		CPI FY 22/23	CPI FY 23/24
7.4(B)	Application for New or Modified - Filing Fee	\$156.00	\$168.01
7.6(B)(1)	Renewal - Base Fee	\$114.40	\$123.21
7.6(B)(2)(a)	Renewal - Emissions /ton (TOG, NOx, SOx, PM)	\$10.45	\$11.25
7.6(B)(2)(b)	Renewal - Emissions /ton (CO)	\$2.63	\$2.83
7.7(A)	Billable Rate	\$95.68	\$103.05
7.7(A)	Billable Rate - Expedite	\$141.44	\$152.33
7.12	Transfer Fee	\$46.80	\$50.40

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/orc	\$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,