



YOLO-SOLANO
AIR QUALITY MANAGEMENT DISTRICT

Final Budget Fiscal Year 2018/2019

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Executive Director / APCO
www.ysaqmd.org




YOLO-SOLANO AIR QUALITY MANAGEMENT DISTRICT FINAL BUDGET FISCAL YEAR 2018/2019

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Mission Statement



**“The Yolo-Solano Air
Quality Management District
is responsible for
protecting human health
and property from the
harmful effects of air pollution.”**

BOARD OF DIRECTORS

YOLO-SOLANO AIR QUALITY MANAGEMENT DISTRICT

The District is governed by a 14-member board comprised of elected representatives from both counties including county board of supervisors and mayors or city council members from the various cities in the District.

Board Member	Representing:
Harold Anderson	City of Winters, Council Member
Thom Bogue	City of Dixon, Mayor
Constance Boulware, Chair	City of Rio Vista, Vice Mayor
Monica Brown	Solano County Supervisor, Second District
Duane Chamberlain	Yolo County Supervisor, Fifth District
Dilenna Harris	City of Vacaville, Council Member
Mark Johannessen, Vice Chair	City of West Sacramento, Council Member
Jim Provenza	Yolo County Supervisor, Fourth District
Matt Rexroad	Yolo County Supervisor, Third District
Don Saylor	Yolo County Supervisor, Second District
Tom Stallard	City of Woodland, Council Member
Gloria Partida	City of Davis, Council Member
Skip Thomson	Solano County Supervisor, Fifth District
John Vasquez	Solano County Supervisor, Fourth District

EXECUTIVE DIRECTOR LETTER

September 12, 2018

Board of Directors:

The District's commitment to protecting our air without creating undue burdens for local residents or businesses is being presented in this final budget for fiscal year 2018/2019. The budget funds the District's public health mission and the objectives set forth by the Board, state, and federal laws. Our fiscal policies are conservative. We focus on core programs and maintain strong internal controls to avoid financial risks. We seek the most cost-effective solutions on behalf of local residents and businesses. We strive every day to work with the community, industry, and regional partners to find reasonable solutions to the challenge of protecting air quality. This fiscal year will be challenging with the implementation of two new grant programs, FARMER and the Woodsmoke Reduction Program. In addition, the District will be developing a registration program to enforce the state Oil and Gas Methane regulation along with the implementation of significant new legislation (AB 617). Final budget highlights are listed below:

- Cost recovery for the Stationary Source Program is projected at 84%.
- Cost recovery fee adjustment of 3%, effective July 1, 2018.
- The budget maintains 22 full-time positions.
- Salaries effective July 1, 2018 reflect a cost of living adjustment of 3% and equity adjustment of 1.5% pursuant to the June 10, 2015 MOU with the employee association.
- Retirement contributions for Classic Members (2%@55 benefit formula) are 9.4% of regular salary and \$134,000 toward unfunded liability (UL).
- Retirement contributions for New Members (2%@62 benefit formula) are 6.8% of regular salary and \$185 toward UL.
- Other Post-retirement Employee Benefits (OPEB) annual payment of \$228,000.
- Available funding for grant programs:
 - Clean Air Funds Grant Program \$400,000
 - AB 923 School Bus Grant Program \$550,000
 - FARMER Grant Program \$1,575,000
 - Woodsmoke Reduction Program \$112,500

Respectfully submitted,



Mat Ehrhardt, P.E.
Executive Director/Air Pollution Control Officer



BUDGET-AT-A-GLANCE

The following tables summarize the revenues and expenses of the fiscal year 2018/2019 budget, totaling \$9,330,395. As in previous years, our consistent major sources of revenue are generated from the stationary source program, DMV vehicle registrations, federal and state grants, and property tax revenues. Expenditures continue to be salaries and benefits, services, supplies, equipment, and grant programs. Of the total budget, \$4,984,024 is considered the operating budget of the District, with the balance being restricted due to legislation and/or District Board policy.

The District strives to be prepared for unforeseen events. The General Fund Reserve balance of \$299,146 (approximately 6% of the operating budget), along with the estimated operating contingency reserve of \$680,446, can be used during a fiscal emergency. More information on the importance of maintaining general and contingency reserves can be found on page 28 under *Summary of Fund Balances and Classifications*.

2018/2019 Revenue	Projected Revenue	% of Revenue
Stationary Source	\$ 1,887,500	20%
Mutual Settlements	\$ 125,000	1%
Other Revenue	\$ 208,750	2%
State Subvention	\$ 90,000	1%
Federal Pass Thru 103/105	\$ 90,860	1%
Fund Balance	\$ 1,147,610	12%
Restricted Fund Balance	\$ 1,115,175	12%
DMV AB 2766	\$ 1,155,250	12%
DMV AB 923	\$ 575,250	6%
Property Tax	\$ 250,000	3%
FARMER	\$ 1,802,000	19%
Oil and Gas Grant	\$ 242,000	3%
Administrative/Intrafund Transfer	\$ 516,000	6%
Woodsmoke Reduction Grant	\$ 125,000	1%
Total Revenue	\$ 9,330,395	100%

2018/2019 Expenses	Projected Expenses	% of Expenses
Salaries/Benefits	\$ 3,420,459	37%
Services, Supplies, Equipment	\$ 1,560,565	17%
Woodsmoke Reduction Program	\$ 112,500	1%
Contingency Operating	\$ 680,446	7%
Clean Air Funds Grants Program	\$ 400,000	4%
FARMER Grants	\$ 1,577,000	17%
AB 923 Grants Program	\$ 550,000	6%
Contingency Restricted	\$ 1,029,425	11%
Total Expenses	\$ 9,330,395	100%



ABOUT THE YOLO-SOLANO AIR QUALITY MANAGEMENT DISTRICT

DISTRICT HISTORY

The Yolo-Solano AQMD was established in 1971 by an agreement between the Yolo and Solano County Boards of Supervisors. In 1994 city representation was added to the District's Board of Directors by agreement between the two county boards and the seven cities within the District's jurisdiction. The 14-member board consists of county board of supervisors and mayors or city council members from the various cities in the District. The District has jurisdiction of all of Yolo County as well as the northeast portion of Solano County from Vacaville on the west to Rio Vista on the south. Our District is unique in that half of Solano County is in our District whereas the other portion of Solano County is the Bay Area AQMD's jurisdiction. This boundary was created because the county falls between two separate air basins, the Sacramento Valley Air Basin and the San Francisco Bay Area Air Basin. Our District is one of 35 air districts in the state.

AIR QUALITY MANAGEMENT DISTRICTS AND THEIR FUNCTIONS

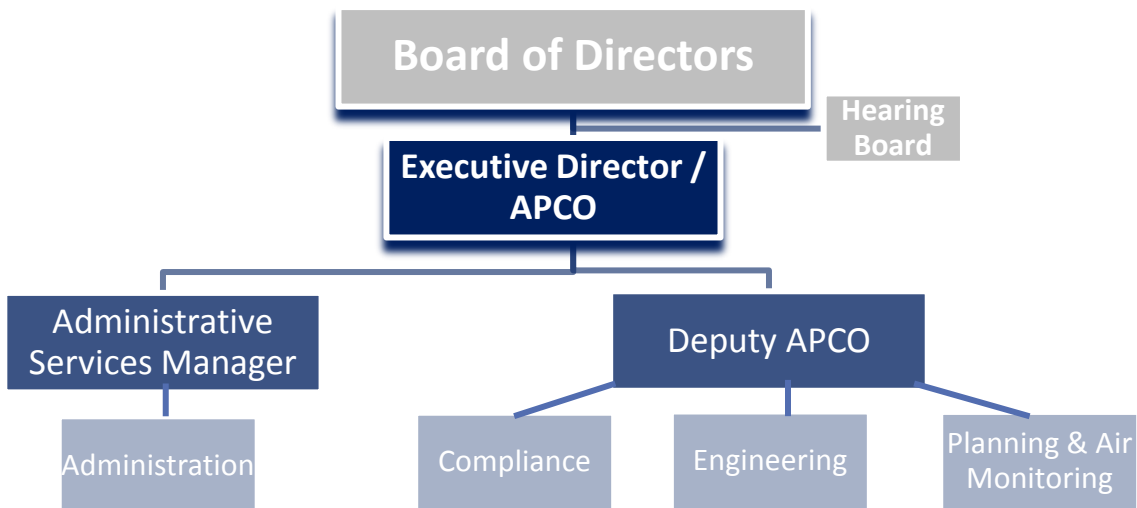
Air pollution control in California occurs at three levels: federal, state and local. Local and regional air districts are charged by statute with the primary responsibility to control air pollution from non-vehicular, i.e., stationary or industrial sources. The goal of this control effort is to achieve and maintain the state ambient air quality standards which are adopted by the California Air Resources Board (CARB) and to endeavor to attain and maintain the national ambient air quality standards adopted by the federal Environmental Protection Agency (EPA). All of the powers and duties of the air district (as well as the CARB) are set forth in the California Health and Safety Code, while the powers and duties of the EPA can be found in the federal Clean Air Act.

The legislature has given the districts a number of tools to carry out their responsibilities. Acting through district boards of directors, the districts enact rules and regulations which apply to stationary sources and indicate which sources need permits to construct and operate, the criteria which must be met to receive such permits, and nature and amount of various pollutants which a source may emit. Stationary sources include but are not limited to dry cleaners, gasoline fueling stations, grain mills, auto body paint shops, agricultural engines, and manufacturing operations. Air districts also have control over area sources (residential fuel combustion and agricultural burning).

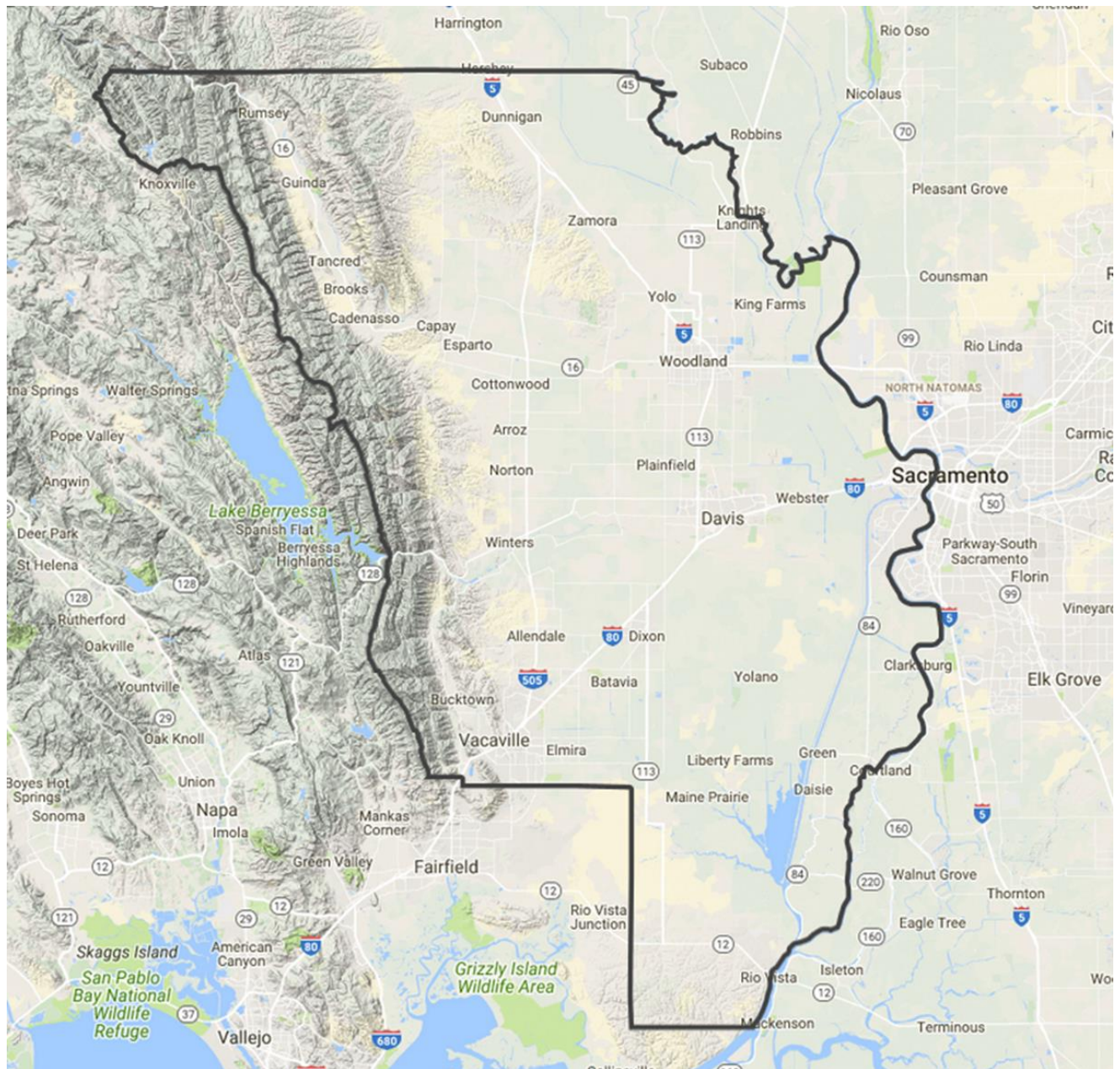


ORGANIZATION CHART AND DIVISION RESPONSIBILITIES

The District works to fulfill its public health mission in a range of ways. In its regulatory role, the District enforces applicable rules on stationary sources of air pollution and creates strategies to meet federal air quality standards. In its land use role, the District provides guidance to local agencies on the air quality impacts of projects and planning documents. In its public health role, the District monitors local air quality and works with health officials to disseminate information to the public. There are four divisions of the District and their responsibilities are outlined below.



- | | | | |
|---|---|--|--|
| <ul style="list-style-type: none"> • Administrative & Technical Support • Board Support • Contract & Grant Administration • Facility & Equipment Maintenance • Financial Management • Human Resources • Office Management • Public Education & Outreach • Public Records Requests • Safety & Wellness | <ul style="list-style-type: none"> • Agricultural Burning • Agricultural Engines • Asbestos • Complaint Response • Compliance Inspections • Mutual Settlements • Portable Equipment • Variances (hearing board) | <ul style="list-style-type: none"> • Air Toxic Hot Spots • Emission Inventory • Emission Reduction Credits & Banking • Permit Processing • Rule Development • Source Testing | <ul style="list-style-type: none"> • Air Monitoring • CEQA Review (General & Specific Plans) • Mobile Source Grant and Incentive Programs • SIP Planning & Modeling • Transportation & Land Use |
|---|---|--|--|



The District boundaries encompass all of Yolo County and the northeastern portion of Solano County. The Solano boundary extends from I-80 eastward along the southern boundary of the California Medical Facility, which corresponds to Hay Road. Southerly, it extends to Goose Haven Road toward the vicinity of Birds Landing and Montezuma Hills Road; it then continues easterly 3/4 of a mile south of Montezuma Hills Road to the intersection of the Sacramento River.

GOALS AND ACCOMPLISHMENTS BY DIVISION

Administration

Accomplishments for Fiscal Year 2017/2018

Draft the recommended financial policy for the budget and audit committee; submit to the Board for approval. Policy will include but not be limited to the purpose of organization, objectives, fund balance and reserves, mid-year Board review, independent auditing, internal controls, budget process, long-term obligations, and cost recovery. **This project is in process and will be on-going. A committee has been formed to evaluate cost recovery, and accounting procedures are being evaluated and updated as necessary during implementation of the in-house accounting system.**

Update the District's Public Records Act Policy for Board approval. **This policy has been reviewed and found to be sufficient.**

Update the District's Record Retention Policy for Board approval. **This policy has been reviewed and found to be sufficient.**

Develop a plan to move financial system in-house for review and approval by the budget and audit committee of the Board. **An implementation plan was approved by the committee and has begun. This is an on-going process with a goal of operating the general fund from the in-house system during FY 2018/2019.**

Update public education and awareness program for Board approval. **The Public Information Officer has updated District procedures and outreach practices. Board presentations were given throughout the year.**

Improve public awareness of programs and services provided by the District. **The Public Information Officer participated in additional community events and has created a number of educational brochures which are distributed at various events and by request.**

Strengthen and expand media relations in the region. **The Public Information Officer appeared on two separate local news stations and was interviewed by various print news sources throughout the year.**

Goals for Fiscal Year 2018/2019

Update the financial policy for budget and audit committee review and approval as accounting practices are evaluated and cost recovery policy is refined. The policy will include the organizations purpose, objectives, fund balance and reserves, mid-year Board review, independent auditing, internal controls, budget process, long-term obligations, and cost recovery.

Operate the in-house accounting system (operating fund) while reconciling with the current County system to the extent that the funds can be audited side by side. The end goal will be to have the system operating as needed to be audited by June 30, 2019.

Maintain and build relationships with different communities with regards to the District's outreach and education programs.

Create innovative and relevant content on the District's social media platforms (i.e. Facebook and Twitter).

Planning & Air Monitoring

Accomplishments for Fiscal Year 2017/2018

Prepare procedures and materials for a new Woodstove Change-out Program and obtain Board approval for the program. **Materials have been prepared for this program. The program was approved by the District Board and began in July 2018.**

Prepare an inventory of potential projects that can achieve surplus emissions in a way that maximizes cost-effectiveness for the future use of offsite mitigation funding. **Over the last fiscal year, planning staff have worked with sources, municipalities and others to identify projects that would be candidates for offsite mitigation funding. Staff will continue to add to this list as new project candidates are identified.**

Conduct site maintenance at all District monitoring sites to ensure future compliance with EPA siting criteria. **Air monitoring staff conducted a comprehensive assessment of the District's monitoring network and made several improvements to monitoring sites ensuring EPA siting criteria will continue to be met.**

Goals for Fiscal year 2018/2019

Prepare and submit an Emergency Episode Mitigation Plan to EPA to ensure that monitoring data collected during future exceptional events will not be considered as data for record.

Expend the majority of the District's Funding Agricultural Replacement Measures for Emission Reductions (FARMER) allocation to qualifying projects within the District.

Prepare and submit the District's State Triennial Plan for the 2015-2017 period to the District Board for approval.

Begin implementation of a Woodsmoke Reduction Program using State Cap and Trade funding and expend available funds during fiscal year 2018/2019.

Compliance

Accomplishments for Fiscal Year 2017/2018

Inspect all stationary sources (except emergency back-up generators and small boilers) at least once every 12 months, with emergency back-up generators and small natural gas fired boilers being once every 24 months. **In the fiscal year, 1254 ongoing annual inspections were performed, and 111 inspections are overdue.**

Complete the project of catching up on overdue agricultural engine inspections, with the goal to inspect engines every 36 months. **There have been 147 ag engines inspected this year, including 55 on-going and 67 start up. Currently 114 (16%) of the District ag engine registrations are overdue for inspection.**

Annually inspect 33% of the PERP (portable equipment registration program) units registered with District as the home district. **The division conducted 260 PERP inspections during the fiscal year. There are**

approximately 1,104 PERP units registered in the District, necessitating a minimum of 350 inspections to be completed annually.

Complete the settlement process for Notices of Violations (NOV) in a timely manner, with a goal of completion in less than 270 days from date of issuance. **The District issued 167 Notices of Violation and settled 174 NOV's, with 89% being settled in less than 270 days. There are currently 52 in process NOV's, of which 13 are over 270 days.**

Conduct weekly surveillance inspections for asbestos renovations and demolitions, primarily to identify projects that have failed to comply with District Rules and the Federal Asbestos NESHAP. **Weekly inspections have increased. As workload has increased in the asbestos program, the District has conducted successful outreach with the city and county building departments to ensure that regulated projects are referred to the District for review.**

Review District Rules 5.1 – Procedure before the Hearing Board, and Rule 5.2 – Upset/Breakdown Conditions: Emergency Variance, and promulgate rule amendments to improve the effectiveness of these rules. **Preliminary work began in the 2017/2018 fiscal year and will be carried forward into the 2018/2019 fiscal year.**

Goals for Fiscal Year 2018/2019

Inspect stationary sources (except emergency back-up generators and small boilers) at least once every 12 months and emergency back-up generators and small natural gas fired boilers once every 24 months. Ensure that no scheduled inspection is overdue by more than 90 days.

Agricultural engines are scheduled to be inspected every 36 months. Ensure that no scheduled inspection is overdue by more than 120 days.

In a timely manner, settle Notices of Violations (NOV), with a goal to complete in 270 days or less from date of issuance. Improve District processes for collecting on court judgments.

Revise District Rule 5.1 - Procedure before the Hearing Board, and Rule 5.2 - Upset/Breakdown Conditions: Emergency Variance, and promulgate rule amendments to improve the effectiveness of these rules.

Engineering

Accomplishments for Fiscal Year 2017/2018

Complete processing all overdue applications and maintain on-time processing rate of 90% or greater. **Approximately 60% of all ATCs/PTOs were processed within the specified timeframes. Additionally, all overdue Title V and CAF renewal applications were processed and issued.**

Complete processing unclaimed emission reductions for the priority reserve and begin rule development to amend Rule 3.6 in accordance with guidance from the Board. **Work on this project has been delayed due to prioritization of other projects.**

Adopt Federal New Source Review for Major PM2.5 Sources Rule in 2017. Promulgate amendments to the Boilers, Steam Generators, and Process Heaters Rule (Rule 2.27) and Graphic Arts Printing Operations (Rule 2.29) in first half of 2017 in accordance with Ozone Attainment Plan. **The Federal New Source Review for**

Major PM2.5 Sources Rule was adopted on July 12, 2017. Rule 2.29 was adopted on July 11, 2018, and Rule 2.27 is slated for Public Hearing in the next fiscal year.

Prioritize additional industry-wide sources as part of the AB2588 restart program, including automotive body shops and diesel engines. Finalize prioritizations and health risk assessments for gasoline dispensing facilities. **Prioritizations and health risk assessments for gasoline dispensing facilities have been completed, and prioritization for diesel engines will be included in the AB 2588 annual report. Prioritization for automotive body shops will be completed in the next fiscal year.**

Goals for Fiscal Year 2018/2019

Process all applications in a timely fashion in accordance with the guidelines established for processing Authority to Construct, Permit to Operate, Emission Reduction Credits, Title V and Confined Animal Facility applications.

Adopt amendments to the Graphic Arts Printing Operations (Rule 2.29) in accordance with Ozone Attainment Plan by July 2018 and the Boilers, Steam Generators, and Process Heaters Rule (Rule 2.27) by the end of the fiscal year.

Develop an expedited schedule for implementation of Best Available Retrofit Control Technology pursuant to AB 617.

Finalize prioritizations for additional sources as part of the AB 2588 restart program, including automotive body shops and diesel engines. Review updated Toxic Emissions Inventory Plans for AB 2588 Core facilities.

Develop a program to implement the State Greenhouse Gas Emission Standards for Crude Oil and Natural Gas Facilities.

BUDGET SUMMARY

Budget Funds and Accounts

The District's financial structure is organized based on funds and account groups, each of which is a separate accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, reserves, fund balances, revenues and expenditures. This year a fifth fund has been added to provide the mandatory tracking of a new incentive program, Funding Agricultural Replacement Measures for Emission Reductions (FARMER). The funds are briefly outlined below. Revenue and expenditure account descriptions begin on page 36.

General Fund: This operating fund provides accounting and tracking of the fee programs (stationary source, asbestos, agricultural engines), agricultural burning, mutual settlement programs, and small grants from the California Air Resources Board and the U.S. Environmental Protection Agency (EPA). Revenue supports staff that work within these programs.

Mobile Source Program - Dept. of Motor Vehicle Fees under AB 2766: This fund is considered a restricted account that tracks revenue received from the Department of Motor Vehicles (DMV). The DMV collects and provides to the District \$4.00 for each vehicle registered within the District's jurisdiction. This money is used in part as an operating fund to support staff that work within the mobile source program, activities to meet the California Clean Air Act, and provides grant funding toward the District's Clean Air Funds Program.

Mobile Source Program – Dept. of Motor Vehicle Fees under AB 923: This fund is considered a restricted account that tracks revenue received from the DMV. The DMV collects and provides to the District \$2.00 for each vehicle registered within the District's jurisdiction. This money provides additional funding for programs as allowed under the legislative guidelines.

Solano County Property Tax: This fund is considered restricted and includes apportionment of property taxes and redevelopment agencies (RDA) statutory pass-thru money. Revenue received from Solano County is used toward the Clean Air Funds programs, projects and/or equipment as approved by the Board.

FARMER: The Funding Agricultural Replacement Measures for Emission Reductions fund manages the necessary tracking to support a new incentive program relating to the replacement of qualified agricultural equipment.

District's Reserve Fund Balances

On May 8, 2013, the Board approved a revision to the Reserve Fund Balance Policy, which outlines the appropriate levels of the District's fund balance accounts. The general reserves will be maintained in the range of 5-15% of the average total operating expenditures reported in the preceding three fiscal years. The contingency accounts (stabilization reserves) in the General Fund and Mobile Source DMV AB 2766 Fund will be maintained in a range of 3-5%. Contingency reserves may be used at the discretion of the Board to provide resources for unanticipated needs of a non-recurring nature or to provide for small increases in service delivery costs unanticipated during the budget development cycle, or to provide for one-time expenditures not originally approved in the budget.

The District has also provided a summary outlining the importance of maintaining an appropriate level of reserves, a three-year history of the reserve fund balances in the General Fund and Mobile Source DMV AB 2766, as well as classifications of the fund balances for fiscal year 2018/2019, as required under Government Accounting Standards Board (GASB) Statement No. 54. See page 28 for the *Summary of Fund Balances and Classifications*.

Long Term Financial Obligations

The Board's goal is to review the District's long term financial obligations on an annual basis and to continue to pay down the obligations as the budget allows. The two (2) obligations that affect the District are the Other Post-Retirement Employment Benefits (OPEB) and pension. The following information is provided to outline the obligations.

OPEB: The District provides healthcare benefits to not only active employees but to eligible retirees and their dependents through the California Public Employees' Retirement System (CalPERS) health program, the Public Employees' Medical & Hospital Care Act (PEMHCA). The District joined PEMHCA in 1989. Benefit provisions are established and may be amended through agreements and memorandums of understanding between the District and its employees. The District provides a retiree medical contribution for employees who retire directly from the District under CalPERS. The retiree is covered as well as dependents. The monthly premium caps the District contributes on behalf of the retiree are as follows: employee only at \$550; employee plus one at \$1,100; and employee plus family at \$1,430. Once the retiree and/or dependent reach Medicare eligibility, the employer contribution is normally reduced based on the coordination of Medicare and PEMHCA.

The District's annual OPEB (expense) is calculated based on the Actuarial Determined Contribution (ADC), as outlined in the District's biennial actuarial valuation report. The ADC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

The ADC payments (by FY) that the District contributed toward the California Employers' Retiree Benefit Trust (CERBT) since joining CERBT are outlined below.

2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
\$105,000	\$110,000	\$127,400	\$130,000	\$201,000	\$207,000
Estimated ADC per Actuarial Valuation Report ending June 30, 2017					
2018/2019*	2019/2020				
\$228,000	\$235,180				
<i>*budgeted amount for FY 2018/2019</i>					

OPEB Summary-

The District contributes the ADC at the beginning of each fiscal year. CERBT allows for agencies to request disbursements of the monthly pay-as-you-go costs paid on behalf of the retiree's health care premiums. In 2013/2014, 2014/2015 and 2015/2016 the District did request disbursements of \$78,603, \$89,200 and \$90,000, respectively. The District is not planning on requesting a disbursement of the monthly premium costs that the District paid on behalf of the retirees during 2017/2018, nor for 2018/2019.

CERBT requires biennial actuarial valuations on OPEB obligations. The District's actuarial showed a significant increase in ADC from 2015/2016 to 2016/2017. The increase, along with the continuing steady climb, is due to a number of factors including: increasing health care costs; new mortality projections; excise tax under the Affordable Health Care Act; CalPERS Experience Study; retirements greater than expected in the last few years (age 55 or younger); and Implied Subsidy for community rated plans such as PEMHCA.

CERBT Account Summary as of June 30, 2018	
Beginning Balance	\$ 494,007
Contribution	\$ 207,000
Investment Earnings	\$ 46,049
Investment Expense	\$ (177)
Disbursement	\$ -
Ending Balance	\$ 746,879

Pension: District employees are eligible to participate in the District's pension plan, an agent multiple-employer public employee defined benefit pension plan administered by the California Public Employees Retirement System (CalPERS). CalPERS acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the plan are established by State statute and may be amended by District resolution. CalPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees, and their beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment with the retirement formula of 2%@55 for existing "classic" members and 2%@62 for new members known as Public Employees' Pension Reform Act

members (PEPRA). The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by the Miscellaneous risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's cost of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employees under the Classic and PEPRA Tiers are required to contribute 7% and 6.8% of their annual pay, respectively. Under an Agreement with the District employees the District decreased their portion of the employer paid portion of the Classic Members contributions, and Members are now paying the entire portion of their 7% employee contribution.

The District's 5-year comparison employer paid contribution is outlined below.

Classic Members:

Fiscal Year	Employer Rate	Employer Payment of Unfunded Liability
2014/2015	12.35%	N/A
2015/2016	8.50%	\$67,117 (lump sum prepayment paid)
2016/2017	8.88%	\$75,911 (lump sum prepayment paid)
2017/2018	8.91%	\$96,840 (lump sum prepayment paid)
2018/2019	9.40%	\$134,000 prepayment option

PEPRA Members:

Fiscal Year	Employer Rate	Employer Payment of Unfunded Liability
2014/2015	6.25%	N/A
2015/2016	6.30%	N/A
2016/2017	6.55%	\$18 (lump sum prepayment paid)
2017/2018	6.53%	\$56 (lump sum prepayment paid)
2018/2019	6.84%	\$185 prepayment option

Pension Summary-

In 2015/2016 CalPERS for the first time began collecting employer contributions toward the employer's unfunded liability instead of a percentage of payroll and agencies may prepay as a lump sum. The District prepaid the unfunded liability in 2015/2016, 2016/2017 and 2017/2018. The District will prepay both the Classic Members' Plan of \$134,000 and PEPRA Members' of \$185 in 2018/2019.

Revenues and Expenditures by Fund

Adopted 2017/2018, projected 2017/2018 and final 2018/2019 comparisons begin on page 19.

Variances of 15%, less or greater than \$2,500 are listed on page 34.

General Fund

The District is recommending a cost recovery fee adjustment of 3% that affects the Stationary Source Program, Agricultural Engine Registration Program and Asbestos Program fees. The adjustment recommended under the final budget is based on the California Consumer Price Index (CPI) April-to-April prior years (2016-2017) effective July 1, 2018. This is based on the cost recovery in the stationary source program which is projected at 84% for fiscal year 2018/2019. The Board goal for cost recovery in this program is 90%. The cost recovery for the year ending June 30, 2018 is projected at 75%. The tables outlining the General Fund programs can be found on pages 31-32.

Revenue Highlights

Fiscal Year 2018/2019 will see three new programs which make up the majority of the increase to revenue. The legislature passed AB 617 which is intended to improve air quality and reduce exposure in communities most impacted by air pollution. The Board approved receiving a state grant of \$58,000 to implement this program. The Board authorized staff to accept a grant of \$125,000 from CAPCOA to implement the Woodsmoke Reduction Program (noted on page 31) that replaces qualified wood burning devices. The Board also authorized staff to accept a grant of \$242,000 to implement the CARB Oil and Gas methane regulation.

Mutual Settlements reaching \$900,000 for 2017/2018 is high for the District. It is expected to encounter violations resulting in penalties during the year; however, this year includes some larger settlements. As it is the District's objective to partner with our sources in reducing pollution, rather than penalize sources for non-compliance, this line item is budgeted conservatively. The majority of this unanticipated increase is being set aside in a restricted settlement fund to assist in the reduction of the District's long term financial obligations.

The Fund Balance available for Fiscal Year 2018/2019 is estimated to be \$774,424.

Expenditure Highlights

Salaries and Benefits increase by approximately \$170,000 from 2017/2018 to 2018/2019. This is the final year of a four year agreement approved by the Board of Directors with the Yolo-Solano Air Quality Management District Employees' Association. Additionally, as required an actuarial valuation was completed which supports the increase in our actuarial determined contribution. Detailed information begins on page 24 under *Salary and Benefit Recommendations*.

The majority of the 2018/2019 increase in Services, Supplies and Capital Equipment will be offset by funding received from the Woodsmoke Reduction Grant and the Oil and Gas Grant. This includes the development of a database to implement the Oil and Gas Registration Program and funding to replace woodstoves through the Woodsmoke Reduction Program. Also included is the expense for up to three interns to provide support for the new programs. We have budgeted to fund two grants that were inadvertently not previously processed for a combined total of \$25,000 with revenue from collected FY 17/18 unanticipated mutual settlements.

Mobile Source DMV AB 2766

The District receives \$4 for each vehicle registered in the District. This funding can be used to reduce emissions from motor vehicles and activities to implement the California Clean Air Act.

Revenue Highlights

A slight increase of approximately \$6,500 in revenue is anticipated to be received from the DMV under AB 2766 for FY 2018/2019. The estimated 2018/2019 Fund Balance available as cash is \$373,186.

Expenditure Highlights

Salaries and Benefits increase by \$59,000 over the 2017/2018 budget. This is the final year of a four year agreement approved by the Board of Directors with the Yolo-Solano Air Quality Management District Employees' Association. More information is provided on page 24 under *Salary and Benefit Recommendations*. There are no significant changes for Services and Supplies, remaining at \$470,000. This total includes \$100,000 for the Clean Air Funds grant program.

Mobile Source DMV AB 923

The District receives \$2 for each vehicle registered in the District. This funding is used to reduce emissions from motor vehicles under the California Clean Air Act.

Revenue Highlights

Revenue received from the DMV under AB 923 is projected to remain consistent with only a \$3,000 increase over the 2017/2018 budget for total revenue anticipated of \$575,000. The Fund Balance estimated to be available for 2018/2019 is \$648,645.

Expenditure Highlights

The District will continue to focus on replacing school buses during 2018/2019. We are budgeting \$550,000 in grant funding for this purpose.

Solano County Property Tax

The District receives an apportionment of property taxes and redevelopment agencies (RDA) statutory pass-thru money to provide Clean Air Funds grants for Solano County.

Revenue Highlights

Property tax revenue is budgeted conservatively as housing markets can be unpredictable. The 2018/2019 budget will remain consistent at \$225,000. The District saw an increase in property tax revenue for 2017/2018 of about \$150,000. Under the Redevelopment Agencies (RDA) Pass-thru funds are budgeted at \$25,000. Fiscal Year 2017/2018 received an additional sum of approximately \$90,000 as a one-time adjustment in RDA revenues. A Fund Balance of \$466,530 is estimated to be available for Fiscal Year 2018/2019.

Expenditure Highlights

The District is asking the Board to grant \$300,000 in projects for 2018/2019, no change from the previous year. Intrafund Transfers are funds used to administer the program. We are anticipating \$25,000 for 2018/2019 based on the allowable 10% of the projected revenue received.

FARMER Grant Program

The District anticipates receiving funds to support this new incentive program relating to the replacement of qualified agricultural equipment.

Revenue Highlights

It is anticipated to receive approximately \$1,800,000 for this new agricultural incentive program.

Expenditure Highlights

Approximately \$1,575,000 will be used as incentives to replace specific agricultural equipment. The balance will be necessary to administer the program. At this time the duration of this program is unknown, possibly allowing for the need to expand over a two year period.

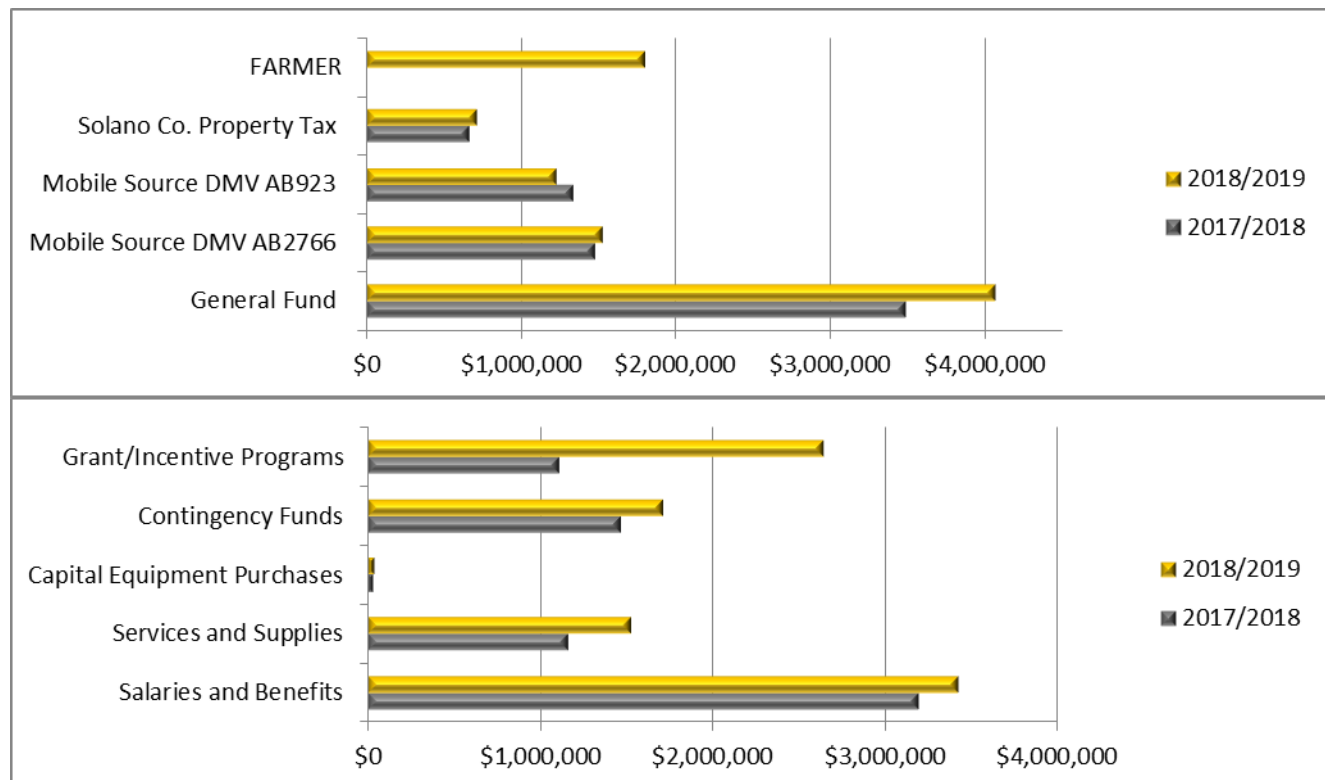


FISCAL YEAR 2018/2019 FINAL BUDGET

Consolidated Overview

<i>Description</i>	Adopted FY 2017/18	Final FY 2018/19	Variance Adopted to Proposed
General Fund	\$3,482,331	\$4,059,534	\$577,203
Mobile Source DMV AB2766	\$1,476,407	\$1,528,436	\$52,029
Mobile Source DMV AB923	\$1,334,045	\$1,223,895	(\$110,150)
Solano Co. Property Tax	\$659,530	\$716,530	\$57,000
FARMER	\$0	\$1,802,000	\$1,800,000
TOTAL REVENUES	\$6,952,313	\$9,330,395	\$2,376,082
Salaries and Benefits	\$3,190,210	\$3,420,459	\$230,249
Services and Supplies	\$1,160,876	\$1,525,565	\$364,689
Capital Equipment Purchases	\$30,000	\$35,000	\$5,000
DMV AB 2766 Clean Air Program	\$100,000	\$100,000	\$0
DMV AB 923 Grant Program	\$709,200	\$550,000	(\$159,200)
Property Tax Clean Air Program	\$300,000	\$300,000	\$0
Woodsmoke Reduction Program	\$0	\$112,500	\$112,500
FARMER Incentives	\$0	\$1,577,000	\$1,575,000
Contingency - Operating Funds	\$589,513	\$680,446	\$90,933
Contingency - Restricted Funds	\$872,514	\$1,029,425	\$156,911
TOTAL EXPENDITURES	\$6,952,313	\$9,330,395	\$2,376,082

Revenues shown include the fund balance available in each fund. This is cash that is moving forward to the new fiscal year and is 11available for use. The fund balance of each Fund is shown under the detailed summaries by fund on the following pages.





General Fund - Revenue Detail Account	Adopted FY 2017/2018	Projected Yr End FY 2017/2018	Final FY 2018/2019	Variance Adopted to Proposed
STATIONARY SOURCE PROGRAM				
Renewal Permits	\$1,398,600	\$1,425,000	\$1,425,000	\$26,400
New Permits	\$168,300	\$246,547	\$175,000	\$6,700
Source Testing	\$85,800	\$113,315	\$87,000	\$1,200
Agricultural Engine Registrations	\$86,450	\$83,215	\$82,500	(\$3,950)
Portable Equipment Registration - ARB	\$60,000	\$90,000	\$60,000	\$0
AB 617	\$0	\$0	\$58,000	\$58,000
EPA 105 Pilot Program (Federal)	\$78,111	\$78,111	\$78,110	(\$1)
SUBTOTAL	\$1,877,261	\$2,036,188	\$1,965,610	\$88,349
Fees/Air Toxics State Program	\$25,000	\$27,328	\$25,000	\$0
Agricultural Burning Program	\$20,000	\$20,495	\$21,000	\$1,000
Asbestos Program	\$115,000	\$160,725	\$125,000	\$10,000
Woodsmoke Reduction Program	\$0	\$0	\$125,000	\$125,000
Oil & Gas	\$0	\$0	\$242,000	\$242,000
SUBTOTAL	\$160,000	\$208,548	\$538,000	\$11,000
Mutual Settlement Program	\$119,000	\$901,145	\$125,000	\$6,000
Interest Earned (Yolo Co. Investment Pool)	\$2,500	\$4,000	\$2,500	\$0
Air Resources Board Subvention (State)	\$90,000	\$89,860	\$90,000	\$0
Miscellaneous Revenue (State AB197)	\$0	\$0	\$26,000	\$26,000
EPA 103 PM2.5 grant (Federal)	\$21,500	\$21,500	\$12,750	(\$8,750)
Administrative/Intrafund Transfers	\$330,000	\$373,798	\$516,000	\$186,000
Penalty Assessments	\$12,000	\$24,500	\$8,000	(\$4,000)
Miscellaneous Revenue	\$1,000	\$2,600	\$1,000	\$0
Stale Date Warrants	\$0	\$0	\$0	\$0
Sale of Fixed Assets	\$0	\$0	\$250	\$250
SUBTOTAL	\$576,000	\$1,417,403	\$781,500	\$205,500
TOTALS	\$2,613,261	\$3,662,139	\$3,285,110	\$671,849
FUND BALANCE AVAILABLE	\$869,070	\$869,070	\$1,524,424	\$655,354
Transfer to Restricted Settlement Reserves	\$0	\$0	-\$750,000	(\$750,000)
Operating Revenue	\$3,482,331	\$4,531,209	\$4,059,534	\$577,203

General Fund - Expenditure Detail	Adopted	Projected Yr. End	Final	Variance
Account	FY 2017/2018	FY 2017/2018	FY 2018/2019	Adopted to Proposed
Regular Employees	\$1,501,800	\$1,510,000	\$1,599,405	\$97,605
Extra-Help	\$0	\$0	\$0	\$0
Overtime (includes expedite program)	\$17,000	\$17,000	\$18,380	\$1,380
Vacation/Payroll Buyback (or payout)	\$15,800	\$6,500	\$16,609	\$809
Retirement	\$205,900	\$205,000	\$221,685	\$15,785
Medicare and Social Security Tax	\$22,210	\$22,210	\$23,650	\$1,440
Employee Group Insurance	\$295,000	\$225,000	\$296,000	\$1,000
OPEB (health pay-as-you-go & trust fund)	\$262,700	\$270,000	\$312,000	\$49,300
Unemployment Insurance	\$6,000	\$6,000	\$6,500	\$500
Workers Compensation Insurance	\$11,400	\$10,035	\$12,800	\$1,400
Other Miscellaneous Benefits/Expenses	\$101,000	\$65,000	\$103,090	\$2,090
SALARY & BENEFIT TOTAL	\$2,438,810	\$2,336,745	\$2,610,119	\$171,309
Clothing and Personal Supplies	\$2,500	\$500	\$2,000	(\$500)
Communications	\$18,200	\$11,025	\$17,000	(\$1,200)
Food	\$1,000	\$1,190	\$1,000	\$0
Household Expense	\$2,000	\$2,900	\$3,000	\$1,000
Household Expense-Contracts	\$16,380	\$17,050	\$17,500	\$1,120
Insurance-Public Liability	\$31,350	\$28,140	\$47,180	\$15,830
Maint-Equipment	\$18,500	\$14,000	\$18,000	(\$500)
Maint-Bldgs & Improv	\$925	\$100	\$925	\$0
Medical, Dental & Lab Supplies	\$400	\$465	\$500	\$100
Memberships	\$6,890	\$9,100	\$9,000	\$2,110
Miscellaneous Expense	\$1,400	\$1,150	\$1,400	\$0
Office Expense	\$10,500	\$10,500	\$11,500	\$1,000
Office Expense-Postage	\$9,000	\$5,500	\$9,000	\$0
Office Expense-Printing	\$7,100	\$2,050	\$5,000	(\$2,100)
Indirect/Overhead A-87 Costs-JPA with Yolo C	\$18,000	\$18,000	\$18,000	\$0
Auditing and Fiscal Services	\$38,400	\$22,300	\$39,400	\$1,000
Information Services	\$58,400	\$65,000	\$63,000	\$4,600
Legal Services (County Counsel Agreement)	\$47,500	\$44,000	\$48,000	\$500
Medical Services	\$1,200	\$700	\$1,000	(\$200)
Professional & Specialized Services	\$90,100	\$124,500	\$332,000	\$241,900
Board Member Stipends	\$16,600	\$8,560	\$16,000	(\$600)
Publications & Legal Notices	\$3,580	\$6,000	\$5,000	\$1,420
Rents & Leases-Equipment	\$2,780	\$1,600	\$2,800	\$20
Rents & Lease-Bldgs & Improv	\$185,200	\$199,100	\$205,000	\$19,800
Minor Equipment	\$17,400	\$350	\$12,000	(\$5,400)
Training Expense	\$10,500	\$2,000	\$10,500	\$0
Special Dept Expense-Other	\$2,400	\$260	\$24,500	\$22,100
Transportation & Travel	\$25,700	\$13,500	\$25,700	\$0
Vehicle Fuel	\$10,600	\$12,100	\$12,000	\$1,400
Utilities	\$12,000	\$12,300	\$14,000	\$2,000
Capital Lease and Interest	\$10,800	\$10,600	\$10,800	\$0
Equipment (Capital Assets)*	\$30,000	\$25,500	\$35,000	\$5,000
SERVICES, SUPPLIES & EQUIPMENT	\$707,305	\$670,040	\$1,017,705	\$310,400
Contingency Reserves	\$336,216		\$431,710	\$95,494
Operating Expenditures	\$3,482,331	\$3,006,785	\$4,059,534	\$577,203

Mobile Source DMV AB 2766	Adopted	Projected Yr. End	Final	Variance
Account	FY 2017/2018	FY 2017/2018	FY 2018/2019	Adopted to Proposed
AB2766 DMV Revenue	\$1,148,350	\$1,148,350	\$1,155,000	\$6,650
Interest Earned (Yolo Co. Investment Pool)	\$250	\$250	\$250	\$0
Miscellaneous Revenue	\$0	\$0	\$0	\$0
SUBTOTAL	\$1,148,600	\$1,148,600	\$1,155,250	\$6,650
FUND BALANCE AVAILABLE	\$327,807	\$327,807	\$373,186	\$45,379
Operating Revenue	\$1,476,407	\$1,476,407	\$1,528,436	\$52,029
Regular Employees	\$489,000	\$489,000	\$523,000	\$34,000
Overtime	\$1,600	\$200	\$2,080	\$480
Vacation/Payroll Buyback	\$8,620	\$6,200	\$9,210	\$590
Retirement	\$78,810	\$65,000	\$84,000	\$5,190
Medicare Tax	\$7,240	\$7,500	\$7,750	\$510
Employee Group Insurance	\$71,400	\$35,000	\$72,000	\$600
OPEB (health pay-as-you-go & trust fund)	\$62,100	\$62,100	\$78,000	\$15,900
Unemployment Insurance	\$1,700	\$1,000	\$1,800	\$100
Workers Compensation Insurance	\$4,430	\$3,915	\$5,000	\$570
Other Miscellaneous Benefits	\$26,500	\$17,000	\$27,500	\$1,000
SALARY & BENEFIT TOTAL	\$751,400	\$686,915	\$810,340	\$58,940
Clothing and Personal Supplies	\$150	\$150	\$150	\$0
Communications	\$3,100	\$3,100	\$3,500	\$400
Food	\$550	\$300	\$550	\$0
Maint-Equipment	\$12,100	\$2,500	\$12,100	\$0
Maint-Bldgs. & Improvements	\$6,000	\$0	\$6,000	\$0
Memberships	\$4,850	\$4,200	\$5,000	\$150
Miscellaneous Expense	\$100	\$350	\$100	\$0
Office Expense	\$3,650	\$400	\$4,000	\$350
Office Expense-Postage	\$300	\$0	\$350	\$50
Office Expense-Printing	\$7,460	\$3,400	\$7,000	(\$460)
Administrative/Intrafund Transfer (Fund 421)	\$227,720	\$253,481	\$230,000	\$2,280
Auditing and Fiscal Services	\$1,680	\$1,600	\$2,000	\$320
Information Services	\$5,950	\$800	\$6,300	\$350
Medical Services	\$150	\$0	\$150	\$0
Professional & Specialized Services	\$52,100	\$30,000	\$45,000	(\$7,100)
Board Member Stipends	\$600	\$0	\$600	\$0
Publications & Legal Notices	\$1,170	\$125	\$1,200	\$30
Rents & Lease-Bldgs & Improv	\$0	\$0	\$0	\$0
Minor Equipment	\$5,350	\$9,800	\$5,300	(\$50)
Training Expense	\$4,060	\$1,100	\$4,060	\$0
Special Dept Expense-Other	\$20,300	\$3,000	\$20,000	(\$300)
Transportation & Travel	\$9,200	\$7,500	\$10,000	\$800
Vehicle Fuel (District Electric Charging Statio	\$4,360	\$1,200	\$5,000	\$640
Utilities	\$810	\$800	\$1,000	\$190
Clean Air Funds Program	\$100,000	\$92,500	\$100,000	\$0
SERVICES, SUPPLIES & EQUIPMENT	\$471,710	\$416,306	\$469,360	(\$2,350)
Contingency Reserves	\$253,297	\$0	\$248,736	(\$4,561)
Operating Expenditures	\$1,476,407	\$1,103,221	\$1,528,436	\$52,029

Mobile Source DMV AB 923 Account	Adopted FY 2017/2018	Projected Yr. End FY 2017/2018	Final FY 2018/2019	Variance Adopted to Proposed
AB923 DMV Revenue	\$573,800	\$574,050	\$575,000	\$1,200
Interest Earned (Yolo Co. Investment Pool)	\$250	\$4,400	\$250	\$0
Miscellaneous Revenue	\$0	\$0	\$0	\$0
SUBTOTAL	\$574,050	\$578,450	\$575,250	\$1,200
FUND BALANCE AVAILABLE	\$759,995	\$759,995	\$648,645	(\$111,350)
Restricted Revenue	\$1,334,045	\$1,338,445	\$1,223,895	(\$110,150)
<i>Mobile Source DMV AB923 - Expenditure Detail</i>				
Administrative/Intrafund Transfer	\$35,861	\$35,900	\$36,000	\$139
AB923 Grant Program(s)	\$709,200	\$650,450	\$550,000	(\$159,200)
SUBTOTAL	\$745,061	\$686,350	\$586,000	(\$159,061)
Contingency Reserves Restricted	\$626,090		\$637,895	\$11,805
Restricted Expenditures	\$1,371,151	\$686,350	\$1,223,895	(\$147,256)

Solano County Property Tax Account	Adopted FY 2017/2018	Projected Yr. End FY 2017/2018	Final FY 2018/2019	Variance Adopted to Proposed
Solano Tax Revenue	\$220,000	\$372,910	\$225,000	\$5,000
Redevelopment, Statutory Pass-Through	\$25,000	\$117,022	\$25,000	\$0
SUBTOTAL	\$245,000	\$489,932	\$250,000	\$5,000
FUND BALANCE AVAILABLE	\$414,530	\$414,530	\$466,530	\$52,000
Restricted Revenue	\$659,530	\$904,462	\$716,530	\$57,000
<i>Solano County Property Tax - Expenditure Detail</i>				
Clean Air Funds Projects	\$300,000	\$300,000	\$300,000	\$0
Administrative/Intrafund Transfer	\$66,000	\$74,439	\$25,000	(\$41,000)
Public Outreach (website/publications/event)	\$10,000	\$10,000	\$0	(\$10,000)
SUBTOTAL	\$376,000	\$384,439	\$325,000	(\$51,000)
Contingency Reserves Restricted	\$283,530		\$391,530	\$108,000
Restricted Expenditures	\$659,530	\$384,439	\$716,530	\$57,000

FARMER Account	Adopted FY 2017/2018	Projected Yr. End FY 2017/2018	Final FY 2018/2019	Variance Adopted to Proposed
Revenue	\$0	\$0	\$1,800,000	\$1,800,000
Interest	\$0	\$0	\$2,000	\$2,000
SUBTOTAL	\$0	\$0	\$1,802,000	\$1,802,000
FUND BALANCE AVAILABLE	\$0	\$0	\$0	\$0
Operating Revenue	\$0	\$0	\$1,802,000	\$1,802,000
<i>FARMER - Expenditure Detail</i>				
Agricultural Incentives	\$0	\$0	\$1,577,000	\$1,577,000
Administrative/Intrafund Transfer	\$0	\$0	\$225,000	\$225,000
Public Outreach (website/publications/event)	\$0	\$0	\$0	\$0
SUBTOTAL	\$0	\$0	\$1,802,000	\$1,802,000
Contingency Reserves Restricted	\$0		\$0	\$0
Operating Expenditures	\$0	\$0	\$1,802,000	\$1,802,000

STAFFING FOR FISCAL YEAR 2018/2019

The District is requesting to maintain 22 full-time positions for fiscal year 2018/2019 as shown below. More detail is provided on the following page that includes the Executive Director/APCO recommendations for the new fiscal year.

<i>Job Classifications</i>	FY 2017/2018 FTE*	FY 2018/2019 FTE*
Executive Director/Air Pollution Control Officer (contracted position)	1.00	1.00
Deputy Air Pollution Control Officer	1.00	1.00
<i>Administration Division</i>		
Administrative Services Manager	1.00	1.00
Administrative Operations Coordinator/Board Clerk	1.00	1.00
Administrative Assistant or Administrative Clerk	2.00	2.00
Air Quality Technician	2.00	2.00
Public Information Officer	1.00	1.00
<i>Compliance Division</i>		
Compliance Manager	1.00	1.00
Assistant/Associate Air Quality Specialist	4.00	4.00
Senior Air Quality Specialist	1.00	1.00
<i>Engineering Division</i>		
Engineering Manager	1.00	1.00
Assistant/Associate Air Quality Engineer	3.00	3.00
<i>Planning and Air Monitoring Division</i>		
Planning and Air Monitoring Manager	1.00	1.00
Air Monitoring Technician I/II	1.00	1.00
Assistant/Associate Air Quality Planner	1.00	1.00
TOTAL	22.00	22.00

*FTE – Full Time Equivalent



Photos courtesy of the Yolo County Archives

Executive Director/APCO Salary and Benefit Schedule

The following salary and benefit changes effective July 1, 2018 and were approved on June 10, 2015 by the Board of Directors, by Agreement No. 15-11 with the Yolo-Solano Air Quality Management District Employees' Association (this is the final year of the four-year agreement) and by Minute Order No. 15-11.C. and No. 15-11.D.

An equity adjustment of 1.5% is included in Salary Resolution No. 17-02 and No. 17-02M for all positions except the Executive Director/Air Pollution Control Officer.

A cost-of-living adjustment of 3% based on the prior year California Consumer Price Index (CPI) April 2016 to April 2017 and also included in the Resolutions as referenced above.

CalPERS pension effective July 1, 2018:

"Classic Members" will pay the 7% Employee Paid Member Contribution (EPMC). The District will no longer contribute to the Classic Member's EPMC.

"New Members" will pay 6.8% which is one-half of the normal cost as established by CalPERS actuarial valuation study. The District does not contribute toward New Members' employee contributions.

Health Premiums capped per month at employee only \$550; employee plus one \$1,100; and employee plus family \$1,430.

Cafeteria Benefit Dollars are offered to employees participating in the District's health care program. The taxable dollars can offset employee paid benefits.

Employees that opt-out of the District's health insurance plan will receive \$250 per month in taxable earnings. Employees that opt-out are not eligible for Cafeteria Benefit Dollars.

The District matches \$80 per month in the Deferred Compensation Plan.

Salary Resolution No. 18-04

Effective July 1, 2018

Classifications		Step A	Step B	Step C	Step D	Step E	FLSA Status	Covered Under MOU
Administration								
Administrative Clerk	23	\$2,957 \$35,484 \$17.06	\$3,105 \$37,260 \$17.91	\$3,261 \$39,132 \$18.81	\$3,424 \$41,088 \$19.75	\$3,595 \$43,140 \$20.74	Non-exempt	yes
Administrative Assistant	41	\$3,538 \$42,456 \$20.41	\$3,714 \$44,568 \$21.43	\$3,900 \$46,800 \$22.50	\$4,095 \$49,140 \$23.63	\$4,300 \$51,600 \$24.81	Non-exempt	yes
Air Quality Technician	67	\$4,582 \$54,984 \$26.43	\$4,811 \$57,732 \$27.76	\$5,052 \$60,624 \$29.15	\$5,304 \$63,648 \$30.60	\$5,569 \$66,828 \$32.13	Non-exempt	yes
Administrative Operations Coordinator/Board Clerk	77	\$5,061 \$60,732 \$29.20	\$5,314 \$63,768 \$30.66	\$5,580 \$66,960 \$32.19	\$5,859 \$70,308 \$33.80	\$6,152 \$73,824 \$35.49	Non-exempt	no
Public Information Officer	93	\$5,935 \$71,220 \$34.24	\$6,232 \$74,784 \$35.95	\$6,543 \$78,516 \$37.75	\$6,870 \$82,440 \$39.63	\$7,214 \$86,568 \$41.62	Non-exempt	yes
Compliance								
Assistant Air Quality Specialist	80	\$5,215 \$62,580 \$30.09	\$5,476 \$65,712 \$31.59	\$5,749 \$68,988 \$33.17	\$6,037 \$72,444 \$34.83	\$6,339 \$76,068 \$36.57	Non-exempt	yes
Associate Air Quality Specialist	95	\$6,054 \$72,648 \$34.93	\$6,357 \$76,284 \$36.68	\$6,675 \$80,100 \$38.51	\$7,008 \$84,096 \$40.43	\$7,359 \$88,308 \$42.46	Non-exempt	yes
Senior Air Quality Specialist	105	\$6,688 \$80,256 \$38.58	\$7,022 \$84,264 \$40.51	\$7,373 \$88,476 \$42.54	\$7,742 \$92,904 \$44.67	\$8,129 \$97,548 \$46.90	Non-exempt	yes

Salary Resolution No. 18-04 (continued)

Engineering								
Assistant Air Quality Engineer	92	\$5,876 \$70,512 \$33.90	\$6,170 \$74,040 \$35.60	\$6,478 \$77,736 \$37.37	\$6,802 \$81,624 \$39.24	\$7,142 \$85,704 \$41.20	Non-exempt	yes
Associate Air Quality Engineer	107	\$6,822 \$81,864 \$39.36	\$7,163 \$85,956 \$41.33	\$7,521 \$90,252 \$43.39	\$7,897 \$94,764 \$45.56	\$8,292 \$99,504 \$47.84	Non-exempt	yes
Associate Air Quality Engineer with P.E.	112	\$7,170 \$86,040 \$41.37	\$7,528 \$90,336 \$43.43	\$7,905 \$94,860 \$45.61	\$8,300 \$99,600 \$47.88	\$8,715 \$104,580 \$50.28	Non-exempt	yes
Senior Air Quality Engineer	117	\$7,536 \$90,432 \$43.48	\$7,913 \$94,956 \$45.65	\$8,308 \$99,696 \$47.93	\$8,724 \$104,688 \$50.33	\$9,160 \$109,920 \$52.85	Non-exempt	yes
Senior Air Quality Engineer with P.E.	122	\$7,920 \$95,040 \$45.69	\$8,316 \$99,792 \$47.98	\$8,732 \$104,784 \$50.38	\$9,169 \$110,028 \$52.90	\$9,627 \$115,524 \$55.54	Non-exempt	yes
Planning and Air Monitoring								
Air Monitoring Technician I	67	\$4,582 \$54,984 \$26.43	\$4,811 \$57,732 \$27.76	\$5,052 \$60,624 \$29.15	\$5,304 \$63,648 \$30.60	\$5,569 \$66,828 \$32.13	Non-exempt	yes
Air Monitoring Technician II	82	\$5,320 \$63,840 \$30.69	\$5,586 \$67,032 \$32.23	\$5,865 \$70,380 \$33.84	\$6,158 \$73,896 \$35.53	\$6,466 \$77,592 \$37.30	Non-exempt	yes
Assistant Air Quality Planner	83	\$5,373 \$64,476 \$31.00	\$5,641 \$67,692 \$6.00	\$5,923 \$71,076 \$34.17	\$6,220 \$74,640 \$35.88	\$6,531 \$78,372 \$37.68	Non-exempt	yes
Associate Air Quality Planner	98	\$6,238 \$74,856 \$35.99	\$6,550 \$78,600 \$37.79	\$6,877 \$82,524 \$39.68	\$7,221 \$86,652 \$41.66	\$7,582 \$90,984 \$43.74	Non-exempt	yes
Clerical Extra-Help/Interns								
Clerical Extra-Help	1	\$13.71 per hour					Non-exempt	no
Intern (College)	21	\$16.73	\$17.56	\$18.44	\$19.36	\$20.33	Non-exempt	no

Salary Resolution No. 18-04M (Management-Exempt Positions)

Effective July 1, 2018

Salary Range	Minimum		Maximum		Range/Position
	Hourly	Monthly	Hourly	Monthly	
M-115	\$41.44	\$7,183	\$51.80	\$8,979	
M-116	\$41.86	\$7,255	\$52.32	\$9,069	
M-117	\$42.28	\$7,328	\$52.84	\$9,160	
M-118	\$42.70	\$7,401	\$53.37	\$9,251	Planning Manager
M-119	\$43.13	\$7,475	\$53.91	\$9,344	
M-120	\$43.56	\$7,550	\$54.45	\$9,437	Compliance Manager
M-121	\$43.99	\$7,625	\$54.99	\$9,532	
M-122	\$44.43	\$7,702	\$55.54	\$9,627	
M-123	\$44.88	\$7,779	\$56.10	\$9,723	
M-124	\$45.33	\$7,856	\$56.66	\$9,820	
M-125	\$45.78	\$7,935	\$57.22	\$9,919	
M-126	\$46.24	\$8,014	\$57.80	\$10,018	
M-127	\$46.70	\$8,094	\$58.37	\$10,118	
M-128	\$47.17	\$8,175	\$58.96	\$10,219	
M-129	\$47.64	\$8,257	\$59.55	\$10,321	
M-130	\$48.11	\$8,340	\$60.14	\$10,425	
M-131	\$48.59	\$8,423	\$60.74	\$10,529	
M-132	\$49.08	\$8,507	\$61.35	\$10,634	Administrative Services Manager Engineer Manager
M-133	\$49.57	\$8,592	\$61.96	\$10,741	
M-134	\$50.07	\$8,678	\$62.58	\$10,848	
M-135	\$50.57	\$8,765	\$63.21	\$10,956	
M-136	\$51.07	\$8,853	\$63.84	\$11,066	
M-137	\$51.58	\$8,941	\$64.48	\$11,177	
M-138	\$52.10	\$9,031	\$65.13	\$11,288	
M-139	\$52.62	\$9,121	\$65.78	\$11,401	
M-140	\$53.15	\$9,212	\$66.43	\$11,515	
M-141	\$53.68	\$9,304	\$67.10	\$11,630	
M-142	\$54.22	\$9,397	\$67.77	\$11,747	
M-143	\$54.76	\$9,491	\$68.45	\$11,864	
M-144	\$55.31	\$9,586	\$69.13	\$11,983	
M-145	\$55.86	\$9,682	\$69.82	\$12,103	
M-146	\$56.42	\$9,779	\$70.52	\$12,224	
M-147	\$56.98	\$9,877	\$71.23	\$12,346	Deputy APCO
M-148	\$57.55	\$9,976	\$71.94	\$12,469	
M-149	\$58.13	\$10,075	\$72.66	\$12,594	
M-150	\$58.71	\$10,176	\$73.38	\$12,720	

SUMMARY OF FUND BALANCES AND CLASSIFICATIONS

Appropriate Level of Fund Balances and Reserves

It is essential that governments maintain adequate levels of fund balance and reserves to mitigate current or future risks (e.g., revenue shortfalls and unanticipated expenditures). Fund balance levels are a crucial consideration in long-term financial planning. However, managing reserves can be a challenge, especially in terms of determining an appropriate balance level. Political pressure to spend fund balance reserves on current operational needs is all too common. The primary reason for a reserve fund balance policy is to be prepared for contingencies (such as future emergencies, natural disasters, and for economic uncertainty). The importance of having a policy and the purposes of a policy related to the District include:

- 1) Plan for contingencies. Governments will always face challenges when it comes to balancing their budgets. For our District local events such as the closure of businesses, natural disasters, and state or federal funding shortfalls, can negatively affect revenues. Reserves can be used to make up for revenue delays or shortfalls.
- 2) Generate investment income. Reserves can be a good source for investment yield, depending on market conditions.
- 3) Ensure cash availability when revenue is unavailable. Reserves can be used to bridge gaps during the year that normally see temporary low levels of cash. Maintaining adequate reserves can balance differences in cash availability.
- 4) Formal reserve policies create a shared understanding of the appropriate level and use of fund balance reserves.

The adequacy of fund balances in general funds should be assessed based upon the agency's own specific circumstances. Nevertheless, Government Finance Officers Association (GFOA) recommends, at a minimum, that general-purpose governments, regardless of size maintain a fund balance in their general fund of no less than two months of regular operating revenues or regular operating expenditures. The District Board adopted the policy in 2004 of at least 10% of regular General Fund and Mobile Source DMV AB 2766 Fund (AB 2766 Fund) operating revenues in the reserve fund balance (General Reserves), and at least 5% in contingency reserves in both the General Fund and the AB 2766 Fund. Since the contingency account fluctuates each fiscal year, the importance of maintaining the reserve fund balance at an appropriate level should continue to be a priority for the District in long-range planning. The GFOA's recommendation of a minimum reserve is only a baseline, and as such each agency's reserve fund balance will need to be adjusted based on local risks. A risk is defined as the probability and magnitude of a loss, disaster, or other undesirable event. A reserve is one tool that the District can use to mitigate any potential risk. Besides risk, there are other "drivers" that can determine the size of the reserves. Other drivers include the size of the agency, commitment or assignments, and budget practices.

After analysis and review, District staff recommended and the Board approved on May 8, 2013, that the balance of the reserves be maintained in the range of 5 to 15% of the average total operating expenditures reported in the year-end totals of the preceding three fiscal years. This information will be provided each spring during the development of the budget to the Budget and Audit Committee, and then reported in the annual budget documents. If the General Reserves falls below the target level of 5% the District will review replenishing the reserves within a 5-year time frame or as soon as economic conditions allow. Use of the General Reserve requires Board approval, and could provide resources in the event of an economic downturn while expenditure

reductions are implemented; provide resources to meet emergency expenditures in case of a local disaster or any other emergency; or if the District experiences unexpected declines in revenues and/or unpredicted large one-time expenditures. Use of the General Reserve requires a majority vote of the Board or approval during adoption of the annual budget.

In addition, it was recommended and approved to target a 3-5% contingency reserve fund balance in both the General and AB 2766 Funds. Contingency reserves may be used at the discretion of the Board to provide resources for unanticipated needs of a non-recurring nature or provide for small increases in service delivery costs that were not anticipated during the budget development cycle, or provide for one-time expenditures not originally approved in the annual budget.

The District's General Fund's unassigned Fund Balance and AB 2766's restricted Fund Balance rolls forward to the next fiscal year as cash available. Excess funds, once revenue and expenditures are projected for the new year, are put into the stabilization contingency account (unassigned fund balance), which is used for the calculation of the appropriate level of operating funds (unassigned in the General Fund and restricted in the AB 2766 Fund). It is equally important to maintain an adequate amount to carry forward each year, as it is to maintain the reserves accounts.

The amounts shown in the table below reflect the history of the District's operating funds (General Fund and Mobile Source DMV Fund AB 2766) from 2014/2015 - 2017/2018 (2017/2018 are year-end projections) and the budgeted 2018/2019 figures. Based on the target goals described above, the average General Reserve percentages for the three year period are at 8%, well within the recommended fund balance reserve policy. The Contingency Reserves at 11% of operating expenses exceed the reserve fund target goal of 5%.

	Combined Fund Balance	Operating Expenses	Fund Balance/ Operating
2014/15	\$ 767,666	\$ 3,527,411	22%
2015/16	\$ 784,596	\$ 3,569,713	22%
2016/17	\$ 1,058,044	\$ 3,728,747	28%
2017/18	\$ 1,196,877	\$ 4,351,086	28%
3Yr Avg	\$ 870,102	3,608,624	24%
Budgeted 2018/2019	\$ 1,150,610	\$ 4,946,024	23%

	Combined Contingency	Combined Contingency	Equipment Reserves	General Reserves	General Reserves	Combined Reserves
2014/15	\$ 328,292	9%	\$ 27,928	\$ 259,146	7%	17%
2015/16	\$ 414,778	12%	\$ 28,200	\$ 259,146	7%	20%
2016/17	\$ 417,224	11%	\$ 28,281	\$ 299,146	8%	20%
2017/18	\$ 589,513	14%	\$ 28,281	\$ 299,146	7%	21%
3Yr Avg	\$ 386,765	11%	\$ 28,136	\$ 272,479	8%	19%
Budgeted 2018/2019	\$ 680,446	14%	\$ 28,281	\$ 299,146	6%	20%

Fund Balance Classifications

The District, to meet the requirements of the Government Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Government Fund Type Definitions, has classified the District's fund balances as Unassigned (fund balance, general reserves and contingency), and Assigned (equipment and special program reserve accounts, and encumbrances) and Committed (future OPEB trust fund or reserve). In addition, revenue received under AB 2766, AB 923 and Solano County Tax Proceeds are classified as "Restricted."

We have outlined the recommended fund balance classifications below. The District will review classifications each fiscal year according to GASB, and will make recommendations to the Board by budget adoption.

Assigned: Equipment and special program reserves, and encumbrances which are considered resources with self-imposed limitations, but do not require approval by the highest level of decision making authority or the same level of formal action to remove or modify limitations. Use of reserves requires a formal action of the Board (minute order) through the budget adoption process or amendments. The encumbering of funds is usually done at staff level with approval by the Administrative Services Manager. All of the District's encumbrances are related to grants.

Unassigned: General reserves and contingency accounts are considered resources that cannot be reported in any other classification. Use of general reserves and/or contingency requires formal action of the Board (minute order.)

Restricted: AB 2766, AB 923, Solano County Property Tax and FARMER are considered restricted resources and constrained to specific purposes by an external provider, government laws and regulations, or by constitutional provisions or enabling legislation.

Committed: Future Other Post-retirement Employee Benefits (OPEB) reserves in which prior to placing in a trust fund and are considered resources with self-imposed limitations, evidenced by the Board's approved formal action (minute order and/or resolution).

Nonspendable: Prepaid expenses are resources that cannot be spent because they are not in an expendable form or must be maintained intact. Examples for the District would be invoices due by July 1 of the new fiscal year, and must "prepay" at the close of the current fiscal year.

Reserve Summary: 2018/2019

Fund/Account	Reserve Summary & Description	Balance
Assigned Reserves	Equipment replacement/Special projects	\$ 28,281
Unassigned Reserves	General	\$ 299,146
Restricted Settlements	Mutual settlements	\$ 750,000

General Fund Cost Recovery Review by Program Budgeted FY 2018/2019

	Stationary Source 83%	Air Toxics 4%	Ag Burning 4%	Asbestos 4%	Mutual Settlements 5%
Subvention	\$ 76,500	\$ -	\$ 7,200	\$ 6,300	\$ -
Revenue Projections	\$ 1,965,610	\$ 25,000	\$ 21,000	\$ 125,000	\$ 125,000
Total Estimated Revenue	\$ 2,042,110	\$ 25,000	\$ 28,200	\$ 131,300	\$ 125,000
Program Expenses	\$ 556,100	\$ 26,800	\$ 26,800	\$ 26,800	\$ 33,500
Human Resources	\$ 2,166,400	\$ 104,405	\$ 104,405	\$ 104,405	\$ 130,506
Total Estimate Expenses	\$ 2,722,500	\$ 131,205	\$ 131,205	\$ 131,205	\$ 164,006
Program Recovery	-\$680,390	-\$106,205	-\$103,005	\$95	-\$39,006
Cost Recovery (based on FTE)	75%	19%	21%	100%	76%

Additional revenue received supports general and administrative expenses, a percentage of salaries and benefits, expenses related to PM2.5 air monitoring , as well as supplementing the above programs.

Other revenue is received from the following sources:

EPA pass-thru 103 grant for the PM2.5 air monitoring program.

AB2766 6.25% of revenue received and 28% of expenses paid based on labor allocation.

AB923 administrative fee of 6.25% based on revenue received.

Solano Co. Property Tax administrative fee of 10% of revenue received and additional board approved expenses.

Interest earned.

Miscellaneous amounts received.

Charges to restricted accounts are used to offset allowable operating expenses of the programs and employees working within the programs.

An additional program will be introduced in FY 2018/2019, AB 617. Revenue expectations are included in the stationary source program, and anticipated expenses have been captured in the budgeted expenses.

Projections for FY 2018/2098 include payment of the OPEB Annual Required Contribution of \$214,000.

Labor allocations to the specific programs were reviewed and adjusted based on estimated staff time and materials necessary to support the programs.

**General Fund Cost Recovery Review by Program
Estimated FY 2017/2018**

	Stationary Source 75%	Air Toxics 2%	Ag Burning 5%	Asbestos 7%	Mutual Settlements 5%
Subvention	\$ 74,700	\$ -	\$ 7,200	\$ 8,100	\$ -
Revenue Projections	\$ 1,965,610	\$ 27,300	\$ 20,500	\$ 160,700	\$ 900,000
Total Estimated Revenue	\$ 2,040,310	\$ 27,300	\$ 27,700	\$ 168,800	\$ 900,000
Program Expenses	\$ 504,149	\$ 13,444	\$ 33,610	\$ 47,054	\$ 33,610
Human Resources	\$ 1,931,250	\$ 51,500	\$ 128,750	\$ 180,250	\$ 128,750
Total Estimate Expenses	\$ 2,435,399	\$ 64,944	\$ 162,360	\$ 227,304	\$ 162,360
Program Recovery	-\$395,089	-\$37,644	-\$134,660	-\$58,504	\$737,640
Cost Recovery (based on FTE)	84%	42%	17%	74%	554%

Additional revenue received supports general and administrative expenses, a percentage of salaries and benefits, as well as supplementing the above programs.

Other revenue is received from the following sources:

EPA 105 in support of specific stationary source program uses.

EPA pass-thru 103 grant for the PM2.5 air monitoring program.

AB 2766 6.25% of revenue received and 28% of costs paid based on labor allocation.

AB 923 administrative fee of 6.25% based on revenue received.

Solano County Property Tax administrative fee of 10% of revenue received and additional board approved expenses.

Interest earned.

Miscellaneous amounts received.

Charges to restricted accounts are used to offset allowable operating expenses of the programs and employees working within the programs.

Labor allocations to the specific programs were reviewed, with the only change being to increase the asbestos percentage due to program expansion.

Mutual Settlements are conservatively budgeted as it is the District's objective to partner with our sources in reducing pollution, rather than penalize sources for non-compliance. This line item includes various minor violation fees and the occasional large settlement. When large amounts are received it is the District's goal to set aside an amount to be used to reduce long term financial obligations.

CONSOLIDATED BUDGET SUMMARIES: *Final, Projected and Actual*

Revenue	2018/2019 Budget	2017/2018 Projected	2016/2017 Actual
Stationary Source	\$ 1,887,500	\$ 2,036,188	\$ 1,921,245
Mutual Settlements	\$ 125,000	\$ 901,145	\$ 165,493
Other Revenue	\$ 208,750	\$ 161,497	\$ 267,940
Oil and Gas Grant	\$ 242,000	\$ -	\$ -
Administrative Transfer	\$ 516,000	\$ 355,000	\$ -
Woodsmoke Reduction Grant	\$ 125,000	\$ -	\$ -
State Subvention	\$ 90,000	\$ 89,900	\$ 90,000
Federal Pass Thru 103/105	\$ 90,860	\$ 99,611	\$ 12,700
Fund Balance	\$ 1,147,610	\$ 1,196,877	\$ 1,261,066
Restricted Fund Balance	\$ 1,115,175	\$ 1,174,525	\$ 1,650,634
DMV AB 2766	\$ 1,155,250	\$ 1,148,600	\$ 1,191,304
DMV AB 923	\$ 575,250	\$ 578,200	\$ 579,057
Property Tax	\$ 250,000	\$ 465,000	\$ 420,597
FARMER	\$ 1,802,000	\$ -	\$ -
	\$ 9,330,395	\$ 8,206,543	\$ 7,560,036

Expenses	2018/2019 Budget	2017/2018 Projected	2016/2017 Actual
Salaries/Benefits	\$ 3,420,459	\$ 3,023,660	\$ 2,831,335
Services, Supplies, Equipment	\$ 1,560,565	\$ 1,086,346	\$ 897,412
Clean Air Funds Grant Program	\$ 400,000	\$ 392,500	\$ 382,250
FARMER Incentives	\$ 1,577,000	\$ -	\$ -
AB 923 Grant Program	\$ 550,000	\$ 650,450	\$ 979,499
Woodsmoke Reduction Program	\$ 112,500	\$ -	\$ -
Contingency Operating	\$ 680,446	\$ 589,513	\$ 417,224
Contingency Restricted	\$ 1,029,425	\$ 909,620	\$ 1,021,873
	\$ 9,330,395	\$ 6,652,089	\$ 6,529,593



VARIANCES

Approved FY 2017/2018 to Final Budget FY 2018/2019

Account	Increase/ (Decrease)	+/- 15% over \$2,500	Description
General Fund			
Revenue			
EPA 103 PM2.5 grant (Federal)	\$ (8,750)	40%	The District received one-time additional funding in 2017/2018.
Administrative Transfers	\$ 186,000	56%	Includes the addition of new program funding and the reduction from Solano County Property Tax expense as no vehicle is being purchased with those funds.
Penalty Assessments	\$ (4,000)	33%	Conservatively budgeted.
AB 617	\$ 58,000	100%	New grant funding program.
Woodsmoke Reduction Program	\$ 125,000	100%	New grant funding program.
Oil & Gas Program	\$ 242,000	100%	New state funded program regulating methane.
Expenditures			
OPEB	\$49,300	18%	Increase based on June 30, 2017 Actuarial Valuation for other post employment benefits.
Liability Insurance	\$ 15,830	50%	Increase due to insurance pool calculations of liability history.
Professional and Specialized Services	\$ 241,900	276%	This includes the development of a database to implement the Oil and Gas Registration Program, funding to replace woodstoves through the Woodsmoke Reduction Program and up to three interns.
Minor Equipment	\$ (5,400)	31%	The District is not forecasting the need to replace an extensive amount of minor equipment at this time.
Special Department Expenses	\$22,100	600%	The addition of one time grant funding .
Capital Equipment	\$ 5,000	16%	Replacement of one District vehicle.
Mobile Source DMV AB 2766			
Revenue			
No significant variances.			
Expenditures			
OPEB	\$ 15,900	25%	Increase based on June 30, 2017 Actuarial Valuation for other post employment benefits.

VARIANCES Continued

Approved FY 2017/2018 to Final Budget FY 2018/2019

Account	Increase/ (Decrease)	+/- 15% over \$2,500	Description
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Mobile Source DMV AB 923

Revenue			No significant variances.
Expenditures			
Grant Program	\$ (159,200)	22%	Grant funds available to replace qualified school buses.

Solano County Property Tax

Revenue			No significant variances.
Expenditures			
Administrative Expense	\$ (41,000)	62%	Reduced as the District will not be purchasing a vehicle from this fund.
Public Outreach	\$ (10,000)	100%	This expense is being budgeted for in the Mobile Source Fund.

FARMER

Revenue			
Grant	\$1,800,000	100%	New incentive program to assist with the replacement of qualified agricultural equipment.
Expenditures			
Agricultural Incentives	\$1,575,000	100%	Equipment replacement incentives on qualified equipment.
Administrative Expense	\$ 225,000	100%	Expense to administer the program.



Fund and Account Descriptions

Funds	Description
General Fund	This fund account is the operating fund and is used for the permit programs (stationary source, confined animal facilities, agricultural engines, and portable equipment), agricultural burning, asbestos and mutual settlement programs, and small grants from the California Air Resources Board and the U.S. Environmental Protection Agency (EPA). The revenue supports staff that work within these programs.
Mobile Source DMV AB2766	This fund account is considered a restricted account that tracks revenue received from the Department of Motor Vehicles (DMV). The DMV collects and provides to the District \$4.00 for each vehicle registered within the District's jurisdiction. This money is used in part as an operating fund to support staff that work within the mobile source program, and provides grant funding toward the District's Clean Air Funds Program.
Mobile Source DMV AB 923	This fund account is considered a restricted account that tracks revenue received from the DMV. The DMV collects and provides to the District \$2.00 for each vehicle registered within the District's jurisdiction. This money provides additional funding for programs as allowed under the legislative guidelines.
Solano County Property Tax	This fund account is considered restricted and supports the District's Clean Air Funds' program and additional board approved projects, equipment and programs.
FARMER	Funding Agricultural Replacement Measures for Emission Reductions. This restricted fund account tracks and manages the new incentive program to assist in the replacement of qualified agricultural equipment.
Revenue Accounts (Alphabetical Order)	Description
AB 617	Focuses on improving air quality and reducing exposure in communities most impacted by air pollution.
Administrative Overhead	Administrative fees for indirect and overhead charges against Restricted Funds.
Agricultural Burning - Permit Fees	Fees related to the agricultural burn program.
Agricultural Engine Program	Fees related to agricultural engine registrations.
Air Toxic Hot Spots Fees	Fees collected from permitted sources under the stationary source program as mandated by the State of California under the Air Toxic Hot Spots Program (AB 2588).
Asbestos Notification and Demolition Fees	Fees related to the asbestos notification and demolition program.
FARMER	Funding Agricultural Replacement Measures for Emission Reduction. New incentive program to assist with the replacement of qualified agricultural equipment.
Federal Revenue	Pass-thru revenue for the EPA 103 PM2.5 grant program and the EPA 105 grant program.
Interest	Interest earned on cash invested in the Yolo County Investment Pool.
New Permit Fees	Stationary source new permit fees.
Oil and Gas	State program, enforced by the District, regulating oil and gas methane.
Other Revenue	Miscellaneous revenue such as time and material rate for information requests.
Penalty Assessments	Penalty charges against delinquent fees.

Redevelopment Pass Thru from Solano County	(RDA) Revenue received under Solano County property tax allotments.
Renewal Permit Fees	Stationary source annual renewal permit fees.
Sale of Capital Assets	To recognize sale of District capital assets.
Settlement - Fines	Mutual settlement program.
Solano County Property Tax	Tax proceeds collected from the northeastern portion of Solano County.
Source Testing Fees	Fees related to stationary source emission testing.
Stale Date Warrants	Warrants over six months old that have not been cashed.
State of California Department of Motor Vehicle and/or Other State Agencies	Assembly Bill 2766: Revenue based on vehicles registered in the District (\$4 per vehicle); PERP pass-through from the ARB; and any miscellaneous state revenue.
State of California Department of Motor Vehicles and State Air Resources Board (ARB)	Assembly Bill 923: \$2.00 vehicle surcharge on motor vehicles registered in the District. Released under Board approved programs as allowed under legislation. Includes ARB subvention grant.
Woodsmoke Reduction Program	Grant funds used to replace qualified wood burning devices.

Payroll Expenditure Accounts (Alphabetical Order)	Description
Employee Group Insurance	Health, dental and vision coverage, group life insurance and long-term disability coverage.
Extra-help	Wages paid to extra-help employees/interns.
FICA	Social security federal tax.
Medicare Tax	Federal payroll tax.
OPEB	Contribution to CalPERS Trust and monthly pay-as-you-go costs for retiree's health insurance coverage.
Other Miscellaneous Benefits	Payroll expenses including deferred compensation match, sick leave incentive, flex spending account administrative fee, and payroll service charges to third-party vendor.
Overtime	Overtime wages paid to employees.
Payroll payout/Vacation buy back	Terminating employees receive certain leave accrual payouts, and used for vacation buy-back.
Regular Employees	Wages paid to employees.
Retirement	Pension payments to CalPERS.
Unemployment Insurance	State payroll tax.
Workers Compensation Insurance	Self-insured payments to YCPARMIA.

Expense Accounts (Alphabetical Order)	Description
AB 923 Grant Program	DMV AB 923 grant programs.
Administrative Indirect Cost	A-87 Cost Allocation with Yolo County and Intrafund charges from Fund(s) restricted funds to the general fund.
Appropriation for Contingency	Contingency account.
Auditing & Fiscal Services	Yolo County Auditor charges and independent audit.
Board Member Stipends	Payment for District Board of Directors and Hearing Board Members attendance at District related meetings.
Capital Lease/Interest Account	Capital lease equipment.
Clean Air Funds Program	DMV AB 2766 and Solano County property tax grant program.
Clothing & Personal Supplies	Safety boots, clothing and accessories.
Communications	Telephone and cell phone expenses.
Equipment	Purchases of capital assets.
Food	Hosted meetings.
Household Expense	Common expenses to maintain the office.
Household Expense-Contracts	Janitorial service.
Information Services	Network, computer support and internet costs.
Insurance - Liability	Self-insured payments to YCPARMIA (liability, property, fidelity).
Legal Services	Attorney fees.
Maintenance-Bldgs. & Improvements	Items such as locksmith services, building improvements/repairs and fire extinguisher refills.
Maintenance-Equipment	Maintenance agreements, maintenance on vehicles, computers, other equipment.
Medical Services	Pre-employment physicals and medical examinations.
Medical Supplies	First aid supplies.
Memberships	Education and partner memberships.
Miscellaneous Expense	This category is for misc. expenses that do not fall under any established account number.
Office Expense - Printing	Items such stationary supplies, forms and brochures.
Office Expense - Postage	Postage and shipping expenses.
Professional & Specialized Services	Contracts and services provided including advertising.
Publications	Public and legal notices, and job announcements and advertisements.
Rents & Leases - Bldgs.	Office Lease and public event booth rental.

Rents & Leases - Equipment

Rental or leased equipment.

Small Tools & Minor Equipment

All equipment purchased under \$3000 and not considered a capital asset.

Special Dept. Expense - Other

Items such as specialty gases, plaques, public events, employee and board awards.

Training Expense

All training.

Transportation & Travel

Transportation and travel.

Utilities

Gas and electricity.

Vehicle Fuel

Fuel account.

