

***Yolo-Solano Air Quality
Management District***

***Final
Budget
For
Fiscal Year
2012/2013***

***Mat Ehrhardt, P.E.
Executive Director/ APCO***

***Yolo-Solano Air Quality Management District
Final Budget Fiscal Year 2012/2013***

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September 12, 2012

Board of Directors
Yolo-Solano Air Quality Management District

The final 2012-13 Yolo-Solano Air Quality Management District budget continues our commitment of protecting public health and property from the harmful effects of air pollution in the most cost-effective way possible. The budget is designed to support the District in this mission and in the objectives set forth by the Board, and by state and federal law. We continue to practice fiscal restraint by focusing on core programs, maintaining tight internal controls and strengthening our financial planning efforts. We work closely with the community and industry to find creative solutions to the challenge of improving our air quality, and will continue to work hard to streamline operations and strengthen collaboration within the District.

On June 13, 2012, the Board approved a cost recovery adjustment of 3.1 percent in the Stationary Source Program for 2012/2013 to offset costs for running the program was recommended in the proposed budget. The adjustment was effective July 1, 2012. The cost recovery for the Stationary Source Program is projected at 85 percent under the final budget for 2012/2013. The cost recovery adjustment is allowed under District Rule 4.1, Section 402, which provides that if the District is not recovering the cost to run the permit program, the APCO is able to adjust permit fees based on the California Consumer Price Index (CPI). For the cost recovery for 2012/2013 we used the CPI prior year April 2010 to April 2011 which is 3.1 percent. By using the CPI to offset costs in operation will continue our efforts to recover costs in the stationary source program and hopefully prevent potentially large one-time fee increases in upcoming fiscal years to support the mandated permit programs. I feel this will ensure the District maintains adequate levels of fund balance to mitigate current or future risks, as fund balance levels are a crucial consideration in long-term financial planning. One important change to the final budget is the recent notification from the Environmental Protective Agency (EPA) that they will continue the Clean Air Act Pilot Pass-through Project funding of \$79,923 for their continued support of our air pollution control program.

Additional information on the approved recommendations is highlighted in the Executive Summary starting on page 5 of the budget document.

Respectfully submitted,

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

YOLO-SOLANO AIR QUALITY MANAGEMENT DISTRICT

BOARD OF DIRECTORS

*Linda Seifert, Chair
Don Saylor, Vice-Chair*

Board Member:

Jack Batchelor, Jr.

Duane Chamberlain

Skip Davies

Dilenna Harris

Chris Ledesma

Michael Martin

Janith Norman

Jim Provenza

Mike Reagan

Matt Rexroad

Don Saylor

Linda Seifert

Rochelle Swanson

John Vasquez

Representing:

City of Dixon, Mayor

Yolo County Supervisor, Fifth District

City of Woodland, Mayor

City of Vacaville, Council Member

City of West Sacramento, Council Member

City of Winters, Council Member

City of Rio Vista, Council Member

Yolo County Supervisor, Fourth District

Solano County Supervisor, Fifth District

Yolo County Supervisor, Third District

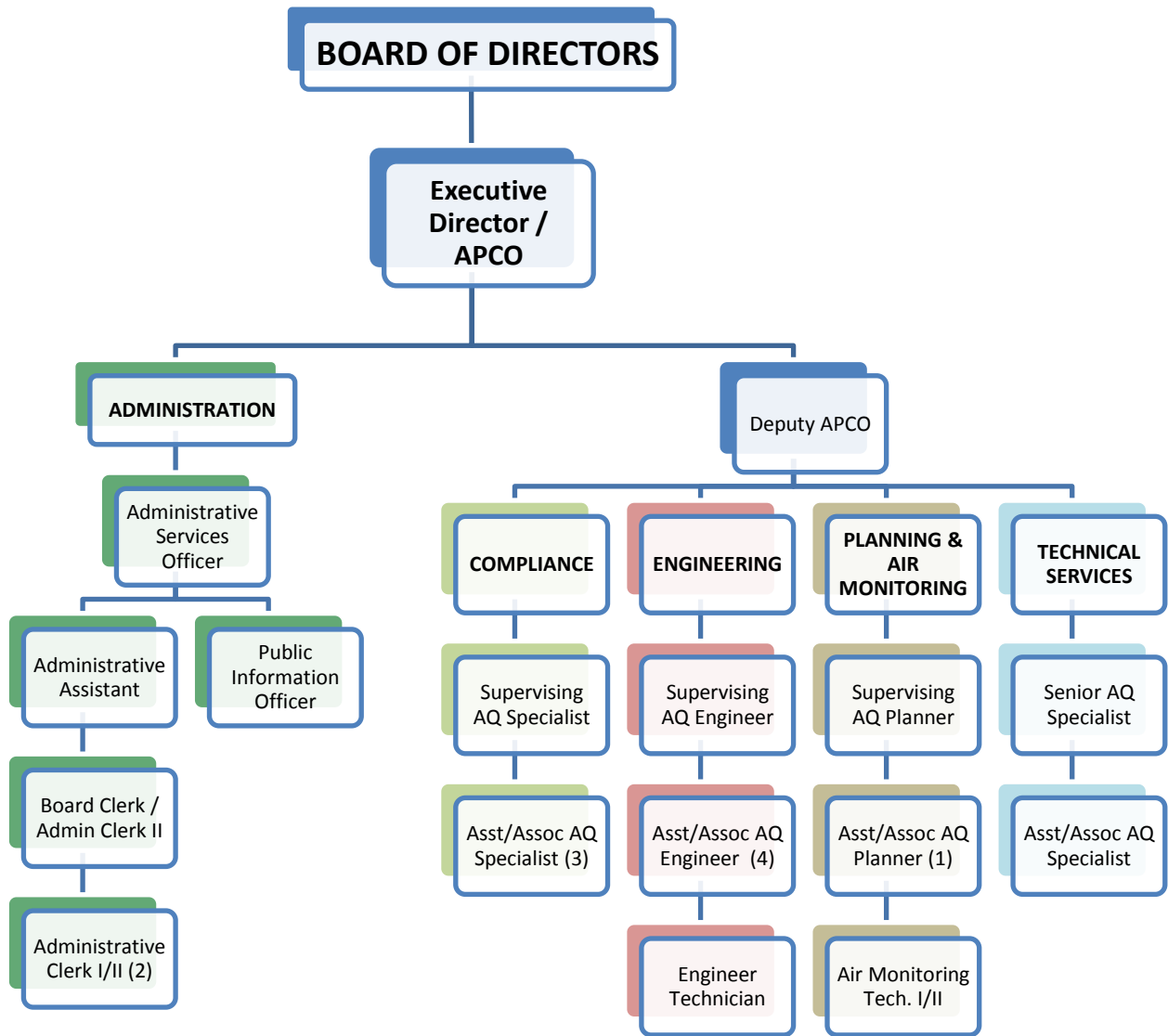
Yolo County Supervisor, Second District

Solano County Supervisor, Second District

City of Davis, Council Member

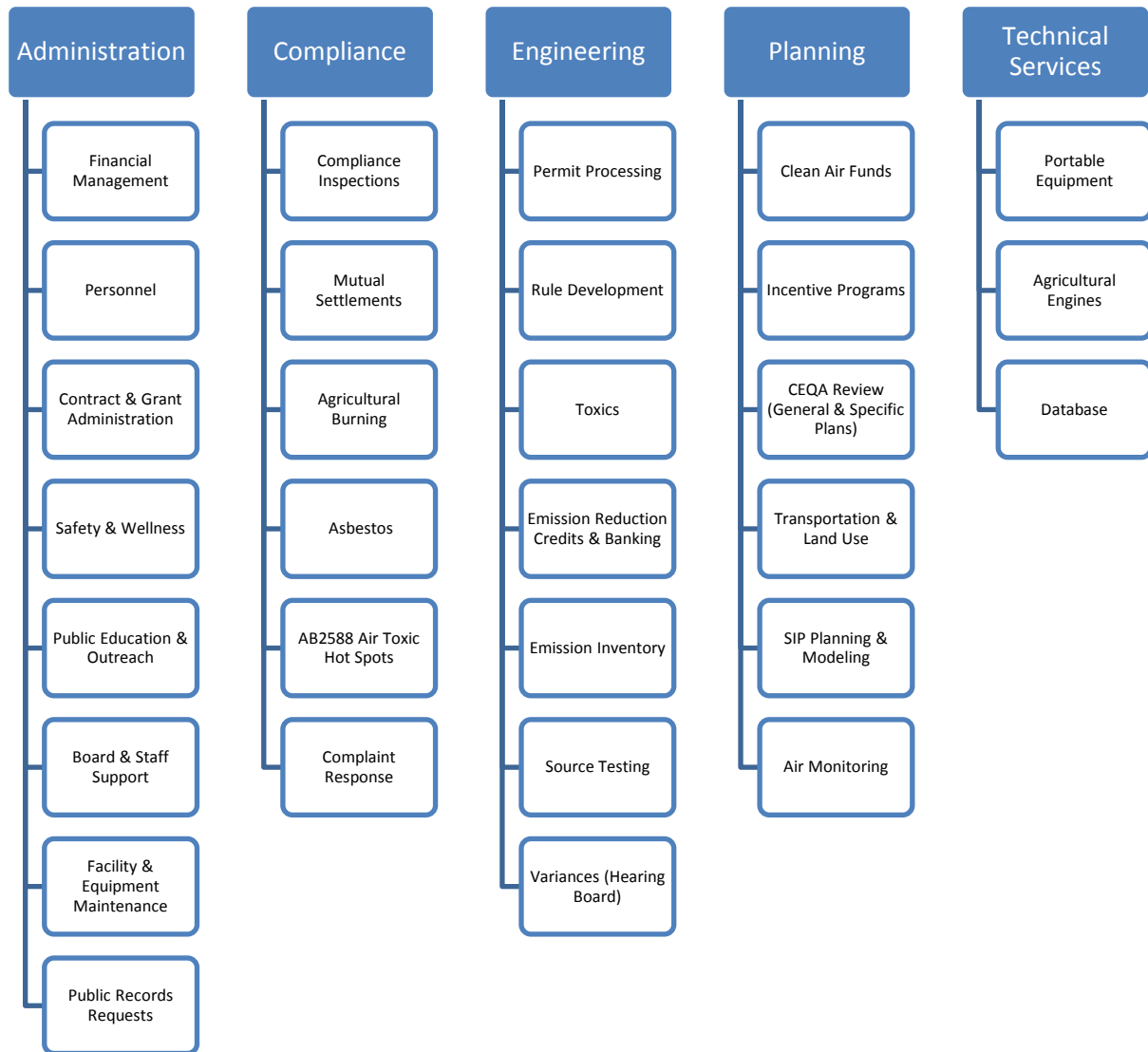
Solano County Supervisor, Fourth District

YOLO-SOLANO AIR QUALITY MANAGEMENT DISTRICT ORGANIZATION CHART



23 Full-Time Employees

YOLO-SOLANO AIR QUALITY MANAGEMENT DISTRICT DISTRICT DIVISIONS AND PROGRAM RESPONSIBILITIES



EXECUTIVE SUMMARY AND RECOMMENDATIONS

RECOMMENDATION

District staff recommends that the Board approve the final budget 2012/2013 fiscal year budget for the following: General Fund (Fund 421) and Mobile Sources (Funds 422 and 423).

ACCOUNT SUMMARIES

The accounts of the District are organized on the basis of 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. The three fund accounts are briefly outlined below.

General Fund (421): This fund account is used for the permit programs (stationary source, confined animal facilities, agricultural engines, and portable equipment), agricultural burning, asbestos and mutual settlement programs, and a small subvention grant from the State of California Air Resources Board. The revenue supports staff that works within these programs.

Mobile Source Program - Dept. of Motor Vehicle Fees (422): 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 \$6.00 for each vehicle registered within the District's jurisdiction. This money is used to support the Clean Air Funds Program, supports staff that works within the mobile source program and, under AB 923, provides additional funding for programs as allowed under the legislative guidelines.

Mobile Source Program (Solano Co. Property Tax) (423): This fund account is considered restricted. All revenue received from Solano County is given back to the Solano County community through the District's Clean Air Funds Program except for a 10 percent administrative fee which is reimbursed to the General Fund.

FUND BALANCE AND RESERVE SUMMARY

The General Fund's general reserve (unassigned fund balance) is at \$259,146 which is 8 percent of the final budget's operating revenue for the General Fund and for the Mobile Source DMV (AB2766 portion) for fiscal year 2012/2013.

The combined fund balance of general reserves, contingency (General Fund \$286,946 and the Mobile Source DMV AB2766 \$41,204), special program reserves (\$14,702) and equipment replacement reserves (\$12,997) brings the total percentage to 19% of operating revenue. Since the contingency accounts fluctuate each fiscal year, maintaining an adequate general reserve in the General Fund is important, as the DMV fund does not have a reserve for operations, except a small contingency under the AB2766 portion.

The AB923 portion of the Mobile Source DMV fund is restricted for use for specific type programs and can't be used toward operations, except a small 5 percent administrative fee for program oversight. AB923 funds make up the balance of the actual contingency in the DMV fund of \$599,392 which will be used to fund future AB923 related projects. See Appendix for AB2766 and AB923 revenue and expenditure tracking for 2012/2013.

The District has provided a 5-year history of the fund balances in the General Fund and a summary outlining the importance of maintaining an appropriate level of reserves, as well as classifications of the fund balances approved by the Board in the proposed budget in June, as required under Government Accounting Standards Board (GASB) Statement No. 54. See Exhibit B for the summary and classifications.

BUDGET HIGHLIGHTS

Highlighted below are significant factors that affect the 2012/2013 budget.

REVENUE (Variances of 15 percent, less or greater than \$2,500 are listed in the Appendix)

General Fund

- Stationary Source Program: The Board approved under the proposed budget a 3.1 percent consumer price index (CPI) adjustment based on the California CPI (all urban consumers) from April 2010 to April 2011 as allowed by District Rule 4.1, Section 402 effective July 1, 2012. The CPI adjustment allows for the District fees to keep up with inflation, and hopefully prevent any one time large increases in the future.
- Cost Recovery in the Stationary Source Program: We are projecting a cost recovery of 85 percent for the 2012/2013 program. In determining the cost recovery we have taken the percentage of employees Full-time Equivalency (FTE) working within the framework of the stationary source program, projected the revenue and the FTE percentage, and then compared the projected expenditures using the percentage of the FTE.

The cost recovery for year ending June 30, 2012, is at 100 percent for the stationary source program. Factors leading to this percentage include the Federal Environmental Protection Agency (EPA) Region 9's pilot program for air districts that do not receive EPA 105 funds in which we received \$79,923. Also, we had savings in salaries and benefits of over \$300,000 due to vacant positions in 2011/2012.

Charts outlining the cost recovery in the General Fund for the final budget for 2012/2013 and projected year-end for 2011/2012 are shown in the Appendix.

- Federal Pass-thru, EPA PM 2.5 Grant: We will be receiving an extra \$23,450 from the EPA to use toward replacement of three (3) dataloggers used at our BAM air monitoring sites.
- Federal EPA 105 Pilot Grant: We have recently been notified that we will receive \$79,923 in fiscal year 2012/2013. This has been added to the final budget. This will assist the District in meeting goals set for the stationary source and air monitoring programs.
- Fund Balance Available: The factors leading to the estimated \$741,008 in excess revenue/and or savings in expenditures at year-end 2011/2012 are outlined below.

Excess Revenue

- Stationary Source: \$170,287
- Mutual Settlement: \$62,409
- State Misc.: \$17,575

Unspent Expenditures

- Salaries and Benefits: \$326,089 (Due to vacancies)
- Misc. Savings \$67,373
- Contingency: \$62,828

Mobile Source (DMV)

- AB2766 and AB923: We are projected to have an approximate increase of 1.5 percent over revenue budgeted in 2011/2012.

- Fund Balance Available: The factors leading to the estimated \$906,235 in excess revenue/and or savings in expenditures at year-end 2011/2012 are outlined below. A portion of the DMV revenue (approximately 3 percent) is due to the DMV delaying sending out vehicle renewal notices until the state legislature voted on the vehicle tax matter in June 2012. Once the renewal notices were sent out, the District started receiving the revenue in arrears.

Excess Revenue

- DMV Revenue: \$86,568

Unspent Expenditures

- Salaries and Benefits: \$21,471
- Professional Services: \$33,565
- AB923 Program: \$159,156
- Contingency: \$575,743

Mobile Source (Solano Co. Property Tax)

- AB 8: We are projecting an increase of 14 percent in Solano County AB8 tax proceeds in the final budget for a total of \$211,000. This is a conservative increase based on Solano County's projections of \$250,000.
- Redevelopment Agencies (RDA) Pass-thru Funds: District records indicate the District started receiving pass-thru funds from RDAs in 2006. We have received approximately \$70,000 through fiscal year ending June 30, 2012. Once RDA forms a project area, any increase in property taxes (above a 2 percent annual inflation factor) goes to the RDA for the life of the project. The rationale for this tax revenue is that the RDA's improvements in the area are responsible for increasing property values. Recognizing that this takes away tax proceeds for local agencies, the state passed legislation (SB211 and AB1290) to allow the local agencies to regain some of the tax increments through the pass-thru funds. As an agency within Solano County that receives tax proceeds, we are allocated pass-thru funds.

As the RDAs were dissolved in February 2012, Solano County is now paying RDA's obligations and will be sending us the pass-thru funds on a more regular basis. We should continue to receive the pass-thru funds until obligations are met in the project areas, which could be up to 30 years. More information is available on page 23 under the budget detail for Fund 423.

- Fund Balance Available: The fund balance in the amount of \$359,345 will be used to fund grant projects and other expenses in 2012/2013. Revenue received this year will be released in future years.

EXPENDITURES (*Variances of 15 percent, less or greater than \$2,500 are listed in the Appendix*)

General and Mobile Source (DMV) Funds

- Salaries and Benefits: There is an overall 9 percent increase in the combined totals for the two funds. This is related to the pre-funding of OPEB in 2012/2013 of \$278,000. If we deducted the OPEB obligations for 2012/2013, overall salaries and benefits would show a decrease of 2 percent from 2011/2012 to 2012/2013.

The District successfully negotiated a new agreement with the District's employees association, and specific information on salaries and benefits are noted in Exhibit A.

- We have adjusted the District's full-time equivalents (FTEs) from 26 to 23 for the final budget, removing 2 FTEs from the General Fund and 1 in the Mobile Source DMV Fund.
- Includes extra-help contingency funding in the General Fund's budget. We would like the ability to hire extra-help to avoid not accomplishing goals in mandated programs due to a reduced staffing level.
- Services, Supplies and Equipment: We continue to maintain program costs at previous levels in all non-essential areas. We have noted significant increases or special programs below by fund.

General Fund

- Professional and Specialized Services (86-2429): \$51,400
 - UCD Internship Program - \$19,500 (2 interns)
 - AB2588 Contract - \$9,800 (state mandated air toxic hot spots program)
 - Basin Control Council (BCC) - \$11,600 (Funding for the contribution is received from the District's agricultural burn permit program, and is used to fund the burn coordinator and meteorological services contract)
 - PM 2.5 Wintertime Forecasting - \$5,500 (\$11,000 contract is split 50/50 with the Mobile Source DMV fund)
- Special Programs and Projects (86-3200): \$20,630
 - Yolo Solano 2013 Lawnmower Exchange Program will be held in the spring 2013. We have \$5,500 to use from the BAAQMD's grant in 2011/2012, \$10,130 from the ARB's LGER grant in 2010/2011, and \$5,000 from the General Fund. We will also use up to \$9,000 from Fund 423 (AB8), with a total available of \$29,630.
- Equipment (86-4300):
 - We are recommending to replace a 1997 fleet truck for approximately \$24,000, and to purchase 3 dataloggers for the BAM air monitoring sites for \$29,100. The EPA is giving us \$23,450 toward the purchase of the dataloggers.

Mobile Source DMV

- Administrative Overhead (to General Fund) (86-2420):
 - This amount has been reduced by approximately \$63,000 for the final budget. This is to ensure that revenue from AB2766 is supporting operating costs in the Mobile Source DMV fund and is not co-mingled with AB923 which has different legislative restricted uses. We are working with Yolo County to allow us to track AB923 revenue and expenditures in a separate restrictive fund. See Appendix for revenue and expenditure tracking for both AB2766 and AB923.
- Professional and Specialized Services (86-2429):
 - Regional Spare the Air Program - \$12,000 (Local match for the regional driving curtailment and health notification program managed by the Sacramento Metropolitan Air Quality Management District)
 - Website Design and Maintenance - \$5,000 (The work will ensure the site continues to operate efficiently and has the necessary information to communicate air quality issues to the public)
 - Database Enhancement - \$20,000 (This continues our efforts to streamline operations, which includes further enhancement of the existing database)
 - PM 2.5 Wintertime Forecasting: \$5,500 (\$11,000 contract is split 50/50 with the

General Fund.

- AB2766 Clean Air Funds (86-3200): We have allocated \$110,200 toward the 2012/2013 program which was approved by the Board on June 13, 2012.
- AB923 Program (86-3200): We have approximately \$800,000 in DMV AB 923 revenue to use in 2012/2013. The District will work with Vacaville Unified School District on the last two remaining school buses that need to be replaced, and we are reviewing if there are any eligible retrofits. District staff is working on recommendations on the future use of the funds and will present to the Board for review and approval in 2012/2013.

Mobile Source Solano Co. AB8

- Clean Air Funds (86-3102): Available funding recommended for the 2012/2013 program is at \$211,000.
- Yolo Solano Lawnmower Exchange (86-3200): Requesting \$9,000 to use toward the exchange program. Same funding level as 2011/2012.

ACCOMPLISHMENTS FOR 2011/2012 AND GOALS FOR 2012/2013

Administration Division

District management of air pollution control programs to ensure compliance with state rules and regulations; personnel administration; financial management; contract and grant administration; personnel safety program (Injury & Illness Prevention Program); public education activities; administrative services and support to the Board of Directors; and integration of district activities with other local, state and federal agencies.

Goals for 2011/2012

Fiscal Management:

- Review with the Board Ad-hoc committee the District's Other Post-Employment Benefits (OPEB).
- Continue to implement cost saving measures to ensure efficiency and maintain high satisfaction level for both internal and external customers.
- Review Prop 26 and how the proposition affects the District's ability to fund mandated programs required by federal and state laws.

General Management:

- Update the District's family medical leave policy to ensure it meets federal and state law.
- Review and update employee performance evaluation procedures and forms.

Accomplishments for 2011/2012

Fiscal Management:

- Overview of OPEB with the Ad-hoc committee was held in August and December.
- Several programs and internal procedures have been streamlined including agricultural burning permit issuance and gasoline dispensing fueling source test inspections. We are scanning documents to reduce paper storage, and making in more efficient to review records and provide information to the public.
- We continue to watch the effects of Prop 26 in relation to agencies fee structures.

General Management:

- We are in the process of reviewing the policy and making the necessary changes.
- We have drafted a new process for exempt employees and have started testing the evaluation process. The new process includes the annual evaluation with monthly goal meetings which replaces the current annual with semi-annual reviews.

Public Outreach and Education:

- Ensure website is maintained to assist and educate permit holders and to educate the community on air quality issues.
- Continue involvement in community events in which the District is able to educate the public on the District's mission.

Public Outreach and Education:

- We assessed the website and developed a plan to revamp design and content in-house.
- We participated in the Yolo County Fair in August and also visited several employer safety fairs throughout the year.

Administration Division

Goals for 2012/2013

Fiscal Management:

- Review opening checking account to pay ongoing monthly operating expenditures.
- Establish a program to accept credit card payments, and allow electronic transfers for payment.
- Reviewing entering into an agreement with Yolo County Auditor-Controller and Treasurer's office on the cost of services they provide. We currently pay for annual cost in payroll, auditing and treasury, but also A-87 two-year arrears for their labor and overhead costs. The goal would be to remove the A-87 charges, and pay directly for the services they provide.

Public Outreach and Education:

- Build awareness of EnviroFlash program and grow subscriber base.
- Create monthly Educator Newsletter to connect with schools.
- Modernize website with updated content targeted at constituents and industry.
- Streamline "Don't Light Tonight" notification.
- Build general awareness of air quality issues through earned media.

Compliance Division

Enforcement of the rules and regulations of the District; agricultural burning enforcement; inspections of permitted sources; implementation of the state mandated air toxics "hot spots" program; and investigation of air quality and nuisance complaints.

Goals for 2011/2012

- Inspect all stationary sources (except emergency back-up generators) at least once every 12 months. Emergency back-up generators will be inspected at least once every 24 months. The number of overdue source inspections will be reduced to zero by July 1, 2012.
- Complete the settlement process for Notices of Violation (NOVs) in a timely manner, with a goal of completion in less than 120 days from date the source returns to compliance. For any violations which are not settled by staff within this time frame (e.g. due to lack of participation by the violator), the case should be referred to District Counsel and possibly Small Claims Court.
- Complete the development of policies and procedures for the asbestos renovation/demolition program and the AB2588 (Hot Spots) program.

Accomplishments for 2011/2012

- In calendar year 2011, staff inspected 87% (942 of the 1,081) of the permitted sources (excluding emergency equipment), and 48% (251 of the 520) permitted emergency equipment. There are currently 63 overdue inspections.
- Our database currently doesn't track the date a source returns to compliance, however the average for all NOVs settled in 2011 was 167 days (from date of issuance).
- With the retirement of the manager of the compliance section, these two policies were not completed.

Goals for 2012/2013

- Inspect all stationary sources (except emergency back-up generators) at least once every 12 months. Emergency back-up generators will be inspected at least once every 24 months. The goal is to reduce the overdue inspections to zero by July 1, 2013.
- Complete the settlement process for Notices of Violation (NOVs) in a timely manner, with a goal of completion in less than 180 days from date of issuance. For any violations which are not settled by staff within this time frame (e.g. due to lack of participation by the violator), the case should be referred to District Counsel and possibly Small Claims Court.

Engineering Division

Review of new and modified stationary sources for compliance with rules and regulations of the District; rule development; emission inventory; and review of permits for toxic impact.

Goals for 2011/2012

- 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. Reduce the number of applications outside the guidelines to zero by July 1, 2012.
- Staff will be asking the Board to update the SIP adoption schedule early in fiscal year 2011/2012. Once that schedule is adopted, the staff will establish the rule development goal for 2011/2012.

Accomplishments for 2011/2012

- Processed approximately 250 ATCs, PTOs, ERCs, and Title V permits by April 15, 2012. Of these, only 5 exceeded the statutory processing time-frames. However, roughly 100 exceeded our internal guidelines. Currently, we are down to only 5 permits above the guidelines, so we expect to meet the goal by July 1, 2012.
- The Board was briefed on rule priorities in November 2011. Staff brought the top priority rule (PSD) to the Board in June 2012. It was determined that the next priority rule (Title V) was not actually required to be adopted by June 2012.

Goals for 2012/2013

- 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.
- Continue to promulgate rules in accordance with the priorities identified to the Board in November 2011.

Planning and Air Monitoring Division

Oversee the administration of the District's Clean Air Funds, incentives and grant programs; land use, transportation, air quality planning for reduction of sources of emissions; review of local jurisdiction's general and specific plans; review of environmental documents for land use projects to assure consistency with the attainment and maintenance of state and federal air quality standards; and ambient air monitoring in support of state and federal programs.

Goals for 2011/2012

- Planning:
- Finalize the District's PM2.5 Emissions Inventory for purposes of plan development.

Accomplishments for 2011/2012

- Planning:
- The District's PM2.5 inventory has been finalized and submitted to the ARB. The inventory is being incorporated into the draft PM2.5 maintenance plan.

Goals for 2011/2012

Planning:

- Replace remaining school buses operating in the District through 1986 model year, and work with the Board to evaluate the best use of the AB923 funds.
- Develop options for addressing CEQA requirements within the District's permitting program.
- Prepare a recommendation to the Board for implementation of a cost recovery program for CEQA related work.

Air Monitoring:

- Bring a report to the Board presenting findings from the 2010/2011 special monitoring study.

Accomplishments for 2011/2012

Planning:

- Most of the pre-1987 buses in the existing inventory have been replaced. Three buses had funds obligated to them prior to the end of the 2011/2012 fiscal year; and two buses will be funded for replacement in 2012/2013.
- Staff is reviewing the programs of other air districts to identify a CEQA process that could be easily incorporated into the District's permitting program.
- Staff is currently determining how to achieve cost recovery with a minimal administrative burden on jurisdictions and the development community.

Air Monitoring:

- District staff is waiting for PM2.5 data results from UCD Delta Group prior to making a presentation to the Board. However, additional monitoring was conducted during the 2011/2012 PM2.5 season.

Goals for 2012/2013

Planning:

- Work with other air districts in the region to complete and submit a maintenance plan to the EPA for the PM2.5 national ambient air quality standard.
- Ensure we have replaced or retrofitted all eligible school buses in the District allowed under the AB 923 Clean School Bus Program.
- Present options to the Board for effectively allocating future AB 923 funding.
- Conduct a comprehensive review of new emissions modeling software and upgrade the software with default inputs specific to the District to allow for more precise modeling.
- Work with other air districts in the region to submit documentation to EPA demonstrating the region's attainment of the 1-hour ozone standard.

Air Monitoring:

- Use EPA 103 grant funding to purchase and install new data-loggers for our continuous PM2.5 monitors. This upgrade will allow for improved communication between the District office and these monitoring sites and result in more efficient data collection.

Technical Services Division

Oversees the administration of the District's agricultural engine registration program which includes: inspecting and issuing registrations; conducting inspections; and verifying compliance with equipment operating under the statewide Portable Equipment Registration Program (PERP). Also, coordinates work by the contractor on the stationary source database program.

Goals for 2011/2012

- Now that the ag engine registration rule has been amended to offer low-use options, work with growers to implement the provisions. Process modification applications in a timely manner (less than 90 days).
- Perform initial inspection of any new engines as they are registered under PERP with Yolo-Solano as the home district.
- While performing other field inspections, continue to look for and investigate potentially unregistered ag engines or portable equipment in our District.
- Settle NOVs for portable equipment or ag engines in a timely manner (less 120 days of source returning to compliance).

Accomplishments for 2011/2012

- During this time period 42 total ag registration applications were received (22 standard & 20 low/intermittent use). Standard application processing averaged 31 days. Low/intermittent application processing averaged 65 days.
- 131 PERP inspections were performed. Twelve of these inspections were of units issued permits within 2011/12.
- Seven unregistered ag engines were found and cited. Eight unpermitted/unregistered portable engines were cited. Four portable engine NTCs were issued.
- Twenty-six NOVs were settled in this period, with an average of 270 days. Sixteen are pending settlement and have been active an average of 309 days.

Goals for 2012/2013

- Process both standard and modified ag engine applications in a timely manner (less than 90 days) and perform ongoing inspections as they become due.
- Perform initial inspection of any new engines as they are registered under PERP with Yolo-Solano as the home district.
- While performing other field inspections, continue to look for and investigate potentially unregistered ag engines or portable equipment within our District.
- Settle NOVs for portable equipment or ag engines in a timely manner (less 120 days of source returning to compliance).

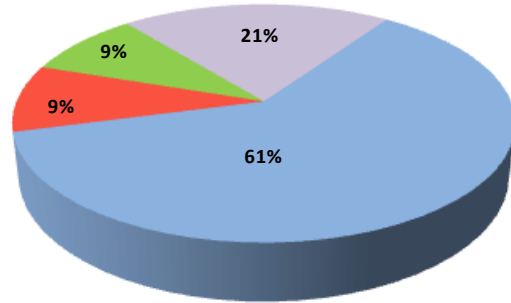
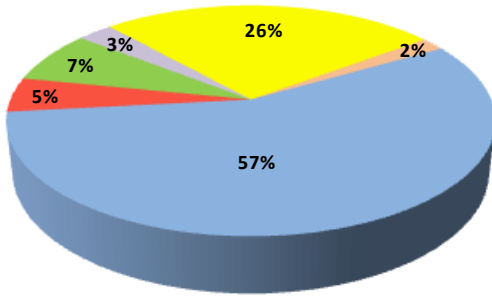
**YOLO-SOLANO AIR QUALITY MANAGEMENT DISTRICT
GENERAL FUND
REVENUE AND EXPENDITURE SUMMARY**

Where the money comes from:

Where the money goes:

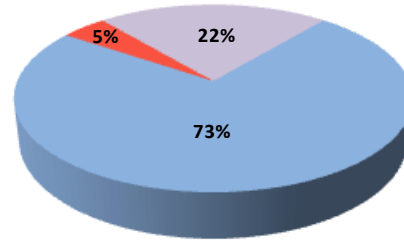
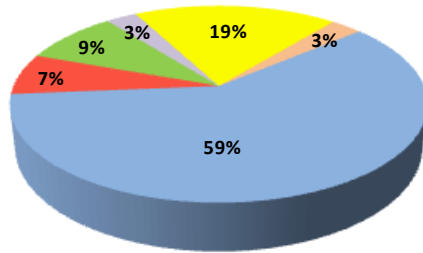
2012/2013 Recommended

- | | | | | |
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| Stationary Source | Mutual Settlement | Intrafund Charges | Salaries / Benefits | OPEB |
| State Subvention | Fund Balance | Other Revenue | Contingency | Services / Supplies / Equipment |



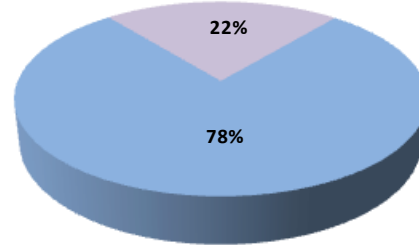
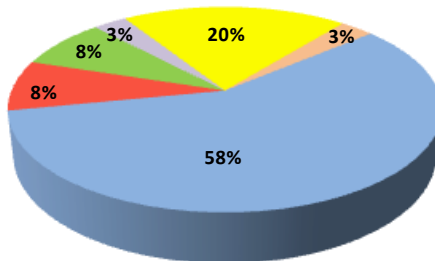
2011/2012 Projected Year-End

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|-------------------|-------------------|-------------------|---------------------------------|------|
| Stationary Source | Mutual Settlement | Intrafund Charges | Salaries / Benefits | OPEB |
| State Subvention | Fund Balance | Other Revenue | Services / Supplies / Equipment | |



2010/2011 Actuals

- | | | | | |
|-------------------|-------------------|-------------------|---------------------------------|--|
| Stationary Source | Mutual Settlement | Intrafund Charges | Salaries / Benefits | |
| State Subvention | Fund Balance | Other Revenue | Services / Supplies / Equipment | |



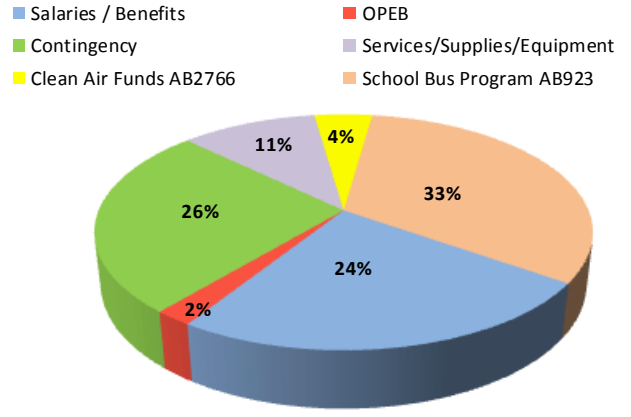
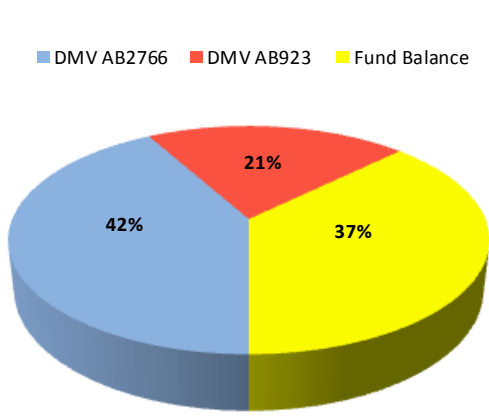
Contingency is only shown in current FY projections.
Prior fiscal year contingency rolls over to the current year as the fund balance available.

**YOLO-SOLANO AIR QUALITY MANAGEMENT DISTRICT
MOBILE SOURCE (DMV) PROGRAM
REVENUE AND EXPENDITURE SUMMARY**

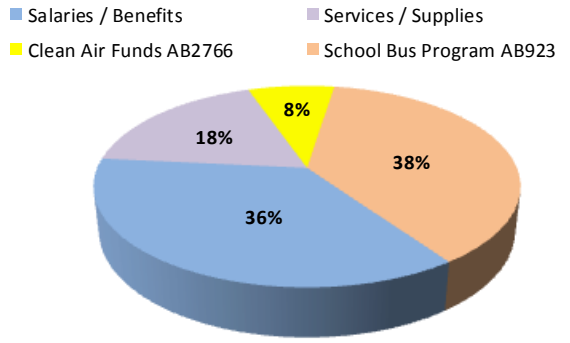
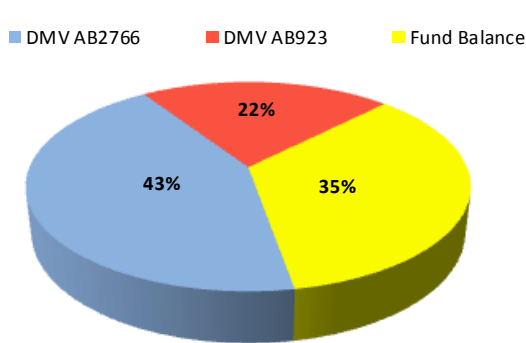
Where the money comes from:

Where the money goes:

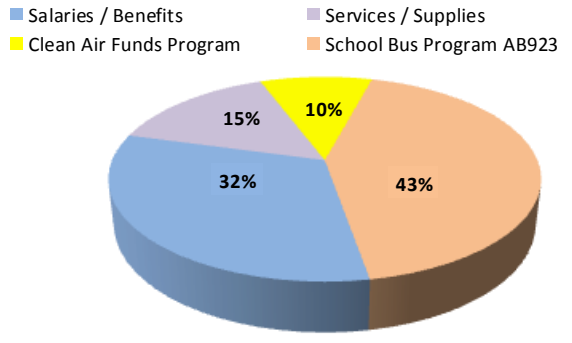
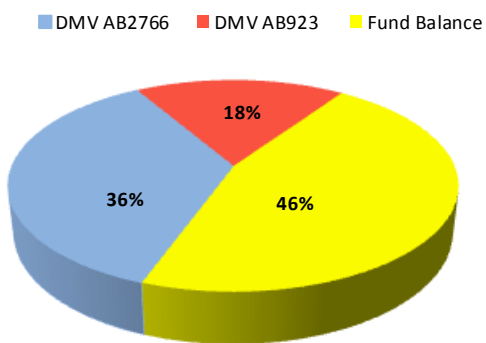
2011/2012 Recommended



2011/2012 Projected Year-End



2010/2011 Actuals



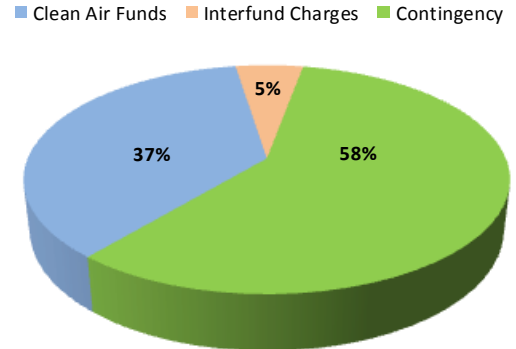
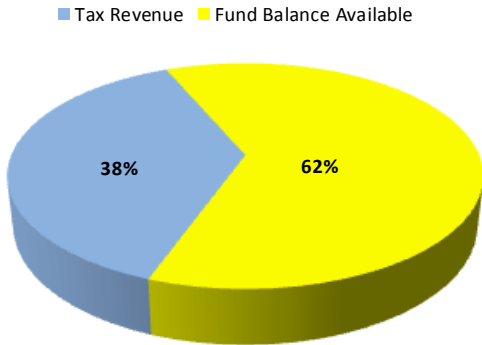
Contingency is only shown in current FY projections.
Prior fiscal year contingency rolls over to the current year as the fund balance available.

**YOLO-SOLANO AIR QUALITY MANAGEMENT DISTRICT
MOBILE SOURCE (Solano Co. Property Tax) PROGRAM
REVENUE AND EXPENDITURE SUMMARY**

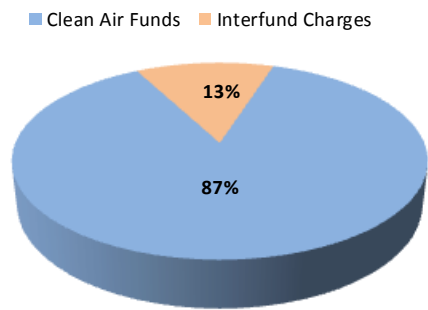
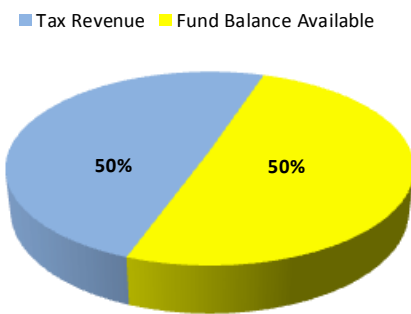
Where the money comes from:

Where the money goes:

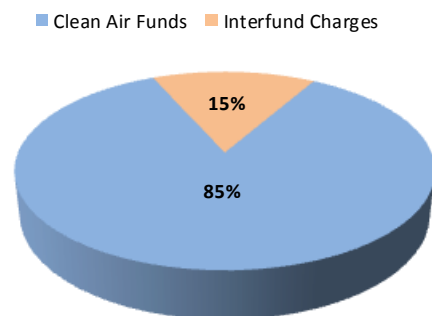
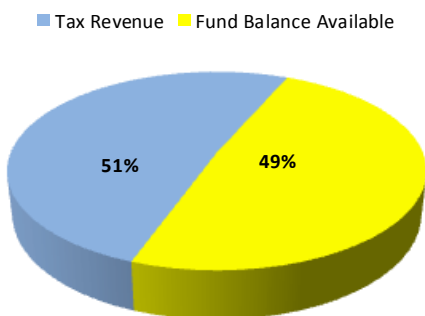
2012/2013 Recommended



2011/2012 Projected Year-End



2010/2011 Actuals



Contingency is only shown in current FY projections.
Prior fiscal year contingency rolls over to the current year as the fund balance available.

**YOLO-SOLANO AIR QUALITY MANAGEMENT DISTRICT
REVENUE AND EXPENDITURE SUMMARY
Final Budget - Fiscal Year 2012/2013**

DESCRIPTION	FY 11/12 Approved	FY 12/13 Recommended	Increase / (Decrease)	Variance %
General Fund 421	\$2,843,568	\$3,198,711	\$355,144	12%
Mobile Source Program (DMV Fees) Fund 422	\$2,373,803	\$2,460,941	\$87,138	4%
Mobile Source Program (Solano Co. Property Tax) Fund 423	\$502,420	\$579,345	\$76,925	15%
TOTAL REVENUES	\$5,719,791	\$6,238,997	\$519,206	9%
Salaries/Benefits*	\$2,664,310	\$2,901,185	\$236,875	9%
Services/Supplies	\$956,470	\$898,625	(\$57,845)	-6%
Equipment	\$12,020	\$53,100	\$41,080	342%
Clean Air Funds & AB923 Projects (DMV)	\$872,000	\$910,200	\$38,200	4%
Clean Air Funds Projects (Solano Co. Property Tax)	\$180,000	\$211,000	\$31,000	17%
Contingency	\$1,034,991	\$1,264,887	\$229,896	22%
TOTAL EXPENDITURES	\$5,719,791	\$6,238,997	\$519,206	9%

Note: The recommended final budget totals \$6,238,997 of which \$3,852,910 is the District's operating budget and \$1,121,200 is designated as grant funds (funded through revenue received from DMV vehicle registration fees and Solano AB8 property tax revenue). Funds 422 and 423 combine contingency totals \$977,941 which will be used in future years toward grants and/or operation in Funds 422 and 423.

*Increase in salaries/benefits includes prefunding OPEB for the first time. This accounts for \$278,000 of the increase (\$121,100 Fund 421, \$51,900 Fund 422 and \$105,000 OPEB reserves). If the District wasn't prefunding OPEB there would be a decrease of 2% in salaries and benefits from 2011/2012 to 2012/2013.

RESERVES SUMMARY	FY 11/12 Year-End Balance	FY 12/13 Anticipated	FY 12/13 Recommended Expenditures	FY 12/13 Projected Balance
RESERVES				
Assigned Reserves (Special Programs) ¹	\$14,702	\$0	\$0	\$14,702
Assigned Reserves (Equipment Replacement) ²	\$12,997	\$0	\$0	\$12,997
Unassigned Reserves-General ³	\$259,146	\$0	\$0	\$259,146
Committed Reserves (OPEB) ⁴	\$105,000	\$0	\$105,000	\$0

¹ Assigned Reserves for special programs and/or projects: No recommendations for use in 2012/2013.

² Assigned Reserves: Equipment Reserves is set up for replacement of major objects such as vehicles and other equipment. No recommendations for use in 2012/2013.

³ Unassigned Fund Balance: General Reserves - Fund 421

⁴ Committed Reserves: By Board approval \$105,000 was moved into reserves for OPEB in FY 2011/2012. This amount will be invested in an OPEB trust in 2012/2013.

DESCRIPTION	2011/12 Approved vs. Actual			2011/12 Proposed to Final		
	FY 11/12 Approved	FY 11/12 Actual	Variance %	FY 12/13 Proposed	FY 12/13 Final	Variance %
General Fund 421	\$2,843,568	\$3,128,061	10%	\$3,007,559	\$3,198,711	6%
Mobile Source Program (DMV Fees) Fund 422	\$2,373,803	\$2,466,745	4%	\$2,493,730	\$2,460,941	-1%
Mobile Source Program (Solano Co.) Fund 423	\$502,420	\$565,845	13%	\$522,025	\$579,345	11%
TOTAL REVENUES	\$5,719,791	\$6,160,651	8%	\$6,023,314	\$6,238,997	4%
Salaries/Benefits*	\$2,664,310	\$2,316,750	-13%	\$2,848,840	\$2,901,185	2%
Services/Supplies	\$956,470	\$828,788	-13%	\$963,125	\$898,625	-7%
Equipment	\$12,020	\$11,596	-4%	\$53,100	\$53,100	0%
Clean Air Funds & AB923 Projects (DMV)	\$872,000	\$711,929	-18%	\$910,000	\$910,200	0%
Clean Air Funds Projects (Solano Co.)	\$180,000	\$180,000	0%	\$211,000	\$211,000	0%
Contingency	\$1,034,991	\$105,000	-90%	\$1,037,249	\$1,264,887	22%
TOTAL EXPENDITURES	\$5,719,791	\$4,154,063	-27%	\$6,023,314	\$6,238,997	4%

YOLO-SOLANO AIR QUALITY MANAGEMENT DISTRICT
GENERAL FUND - REVENUE DETAIL
Final Budget - Fiscal Year 2012/2013

DESCRIPTION	Account No.	Approved Revenue FY 11/12	Projected Revenue FY 12/13	Variance Increase / (Decrease)	Variance %
STATIONARY SOURCE PROGRAM					
Renewal Permits	82-2600	\$1,268,000	\$1,307,000	\$39,000	3%
New Permits	82-2601	\$150,000	\$154,600	\$4,600	3%
Source Testing	82-2611	\$104,200	\$107,430	\$3,230	3%
Agricultural Engine Registrations	82-2612	\$89,550	\$74,200	(\$15,350)	-17%
Portable Equipment Registration - State ARB	82-5500	\$88,000	\$88,000	\$0	0%
EPA 105 Grant Program (Federal Revenue)	82-5670	\$0	\$79,923	\$79,923	n/a
SUBTOTAL		\$1,699,750	\$1,811,153	\$111,403	7%
Fees/Air Toxics State Program	82-2604	\$7,240	\$5,600	(\$1,640)	-23%
Agricultural Burning Program	82-2606	\$20,000	\$21,000	\$1,000	5%
Asbestos Program	82-2607	\$17,500	\$19,000	\$1,500	9%
SUBTOTAL		\$44,740	\$45,600	\$860	2%
Mutual Settlement Program	82-3300	\$150,000	\$155,000	\$5,000	3%
Interest Earned (includes 82-4100 & 4199)	82-41XX	\$8,000	\$10,000	\$2,000	25%
Air Resources Board Subvention (State Revenue)	82-5490	\$90,000	\$90,000	\$0	0%
Air Resources Board Mower Grant (State Revenue)	82-5500	\$10,000	\$10,000	\$0	0%
EPA 103 PM2.5 grant (Federal Revenue)	82-5670	\$10,100	\$33,550	\$23,450	232%
Administrative Overhead	82-6390	\$247,000	\$183,400	(\$63,600)	-26%
Penalty Assessments	82-6399	\$7,500	\$9,000	\$1,500	20%
Other-Revenue	82-7700	\$4,900	\$5,000	\$100	2%
Stale Date Warrants	82-7705	\$0	\$0	\$0	n/a
Sale of Fixed Assets	82-8100	\$0	\$0	\$0	n/a
SUBTOTAL		\$527,500	\$495,950	(\$31,550)	-6%
TOTALS		\$2,271,990	\$2,352,703	\$80,713	4%
FUND BALANCE AVAILABLE		\$571,578	\$741,008	\$169,431	30%
Transfer Funds from OPEB Reserves		\$0	\$105,000	\$105,000	n/a
Transfer to Operating Budget (Restricted Cash-Special)		\$0	\$0	\$0	n/a
TOTAL FINANCING AVAILABLE		\$2,843,568	\$3,198,711	\$355,144	12%

YOLO-SOLANO AIR QUALITY MANAGEMENT DISTRICT

GENERAL FUND - EXPENDITURE DETAIL

Final Budget - Fiscal Year 2012/2013

Account Name	Account No.	Approved Expenditures FY 11/12	Projected Expenditures FY 12/13	Variance Increase / (Decrease)	Variance %
Regular Employees	86-1101	\$1,398,750	\$1,320,000	(\$78,750)	-6%
Extra-Help	86-1102	\$0	\$35,700	\$35,700	n/a
Overtime (includes expedite program)	86-1103	\$19,700	\$13,140	(\$6,560)	-33%
Vacation/Payroll Buyback (or payout)	86-1107	\$13,000	\$11,000	(\$2,000)	-15%
Retirement	86-1201	\$270,600	\$244,000	(\$26,600)	-10%
Medicare Tax	86-1203	\$20,450	\$19,300	(\$1,150)	-6%
Employee Group Insurance	86-1300	\$317,400	\$278,000	(\$39,400)	-12%
OPEB (health pay-as-you-go & side fund)	86-1301	\$0	\$293,550	\$293,550	n/a
Unemployment Insurance	86-1400	\$5,370	\$5,360	(\$10)	0%
Workers Compensation Insurance	86-1500	\$11,000	\$10,370	(\$630)	-6%
Sick Leave & Deferred Comp Incentive, FSA	86-1600	\$20,300	\$20,640	\$340	2%
FUND 421 - SALARY & BENEFIT TOTALS		\$2,076,570	\$2,251,060	\$174,490	8%
Clothing and Personal Supplies	86-2050	\$2,400	\$2,400	\$0	0%
Communications	86-2090	\$16,300	\$16,300	\$0	0%
Food	86-2130	\$900	\$1,000	\$100	11%
Household Expense	86-2170	\$1,800	\$2,200	\$400	22%
Household Expense-Contracts	86-2171	\$16,250	\$16,250	\$0	0%
Insurance-Public Liability	86-2202	\$19,000	\$22,000	\$3,000	16%
Maint-Equipment	86-2271	\$19,000	\$21,800	\$2,800	15%
Maint-Bldgs & Improv	86-2272	\$850	\$925	\$75	9%
Medical, Dental & Lab Supplies	86-2300	\$400	\$400	\$0	0%
Memberships	86-2330	\$6,700	\$6,000	(\$700)	-10%
Miscellaneous Expense	86-2360	\$2,400	\$2,400	\$0	0%
Office Expense	86-2390	\$11,700	\$11,700	\$0	0%
Office Expense-Postage	86-2391	\$12,850	\$12,600	(\$250)	-2%
Office Expense-Printing	86-2392	\$7,800	\$7,800	\$0	0%
Indirect/Overhead A-87 Costs-JPA with Yolo Co.	86-2420	\$7,500	\$12,600	\$5,100	68%
Auditing and Fiscal Services	86-2421	\$33,100	\$39,500	\$6,400	19%
Information Services	86-2422	\$48,000	\$48,400	\$400	1%
Legal Services (County Counsel)	86-2423	\$49,100	\$44,100	(\$5,000)	-10%
Medical Services	86-2425	\$800	\$800	\$0	0%
Professional & Specialized Services	86-2429	\$43,000	\$51,400	\$8,400	20%
Trustees, Commiss & Directors	86-2430	\$15,700	\$15,700	\$0	0%
Publications & Legal Notices	86-2460	\$3,000	\$2,900	(\$100)	-3%
Rents & Leases-Equipment	86-2491	\$4,100	\$1,320	(\$2,780)	-68%
Rents & Lease-Bldgs & Improv	86-2492	\$160,900	\$165,580	\$4,680	3%
Small Tools & Minor Equip.	86-2520	\$20,000	\$13,800	(\$6,200)	-31%
Training Expense	86-2548	\$9,400	\$9,300	(\$100)	-1%
Special Dept Expense-Other	86-2559	\$2,200	\$2,100	(\$100)	-5%
Transportation & Travel	86-2610	\$23,600	\$24,000	\$400	2%
Vehicle Fuel	86-2611	\$12,100	\$12,100	\$0	0%
Utilities	86-2640	\$11,000	\$10,000	(\$1,000)	-9%
Contributions to Special Programs & Projects	86-3200	\$20,000	\$20,630	\$630	3%
Capital Lease	86-3360	\$9,600	\$9,600	\$0	0%
MAJOR OBJECT TOTAL		\$591,450	\$607,605	\$16,155	3%
Equipment	86-4300	\$7,720	\$53,100	\$45,380	588%
Appropriation for Contingency	86-9900	\$167,828	\$286,946	\$119,118	71%
MAJOR OBJECT TOTAL		\$175,548	\$340,046	\$164,498	94%
FUND 421 TOTAL FINANCING REQUIREMENTS		\$2,843,568	\$3,198,711	\$355,143	12%

**YOLO-SOLANO AIR QUALITY MANAGEMENT DISTRICT
MOBILE SOURCE PROGRAM (DMV Fees) - REVENUE DETAIL**

Final Budget - Fiscal Year 2012/2013

DESCRIPTION	Account No.	Approved Revenue FY 11/12	Projected Revenue FY 12/13	Variance Increase / (Decrease)	Variance %
State - AB2766 DMV Funds	82-5500	\$1,012,000	\$1,029,804	\$17,804	2%
State - AB923 DMV Funds	82-5140	\$510,500	\$514,902	\$4,402	1%
Interest	82-4100	\$8,000	\$10,000	\$2,000	25%
Other Revenue	82-7700	\$0	\$0	\$0	n/a
SUBTOTAL		\$1,530,500	\$1,554,706	\$24,206	2%
FUND BALANCE AVAILABLE		\$843,303	\$906,235	\$62,932	7%
TOTAL FINANCING AVAILABLE		\$2,373,803	\$2,460,941	\$87,138	4%

MOBILE SOURCE PROGRAM (DMV Fees) - EXPENDITURE DETAIL

Account Name	Account No.	Approved Expenditures FY 11/12	Projected Expenditures FY 12/13	Variance Increase / (Decrease)	Variance %
Regular Employees	86-1101	\$414,240	\$421,300	\$7,060	2%
Overtime	86-1103	\$2,700	\$1,700	(\$1,000)	-37%
Vacation/Payroll Buyback	86-1107	\$7,000	\$6,160	(\$840)	-12%
Retirement	86-1201	\$80,150	\$77,930	(\$2,220)	-3%
Medicare Tax	86-1203	\$6,050	\$5,720	(\$330)	-5%
Employee Group Insurance	86-1300	\$67,050	\$74,035	\$6,985	10%
OPEB (health pay-as-you-go & side fund)	86-1301	\$0	\$51,900	\$51,900	n/a
Unemployment Insurance	86-1400	\$1,350	\$1,350	\$0	0%
Workers Compensation Insurance	86-1500	\$4,500	\$4,530	\$30	1%
Sick Leave & Deferred Comp Incentive	86-1600	\$4,700	\$5,500	\$800	17%
FUND 422 - SALARY & BENEFIT TOTALS		\$587,740	\$650,125	\$62,385	11%
Clothing and Personal Supplies	86-2050	\$300	\$150	(\$150)	-50%
Communications	86-2090	\$1,420	\$1,420	\$0	0%
Food	86-2130	\$300	\$300	\$0	0%
Maint-Equipment	86-2271	\$8,400	\$7,500	(\$900)	-11%
Maint-Bldgs. & Improvements	86-2272	\$300	\$300	\$0	0%
Memberships	86-2330	\$4,000	\$3,600	(\$400)	-10%
Miscellaneous Expense	86-2360	\$100	\$100	\$0	0%
Office Expense	86-2390	\$1,500	\$1,500	\$0	0%
Office Expense-Postage	86-2391	\$300	\$300	\$0	0%
Office Expense-Printing	86-2392	\$5,700	\$5,700	\$0	0%
Administrative Overhead (Fund 421)	86-2420	\$225,000	\$161,400	(\$63,600)	-28%
Auditing and Fiscal Services	86-2421	\$1,600	\$4,000	\$2,400	150%
Information Services	86-2422	\$900	\$1,000	\$100	11%
Medical Services	86-2425	\$200	\$150	(\$50)	-25%
Professional & Specialized Services	86-2429	\$54,300	\$45,300	(\$9,000)	-17%
Trustees, Commiss. & Directors	86-2430	\$600	\$600	\$0	0%
Publications & Legal Notices	86-2460	\$1,100	\$1,100	\$0	0%
Rents & Lease-Bldgs & Improv	86-2492	\$1,100	\$1,200	\$100	9%
Small Tools & Minor Equipment	86-2520	\$7,350	\$4,500	(\$2,850)	-39%
Training Expense	86-2548	\$3,450	\$4,000	\$550	16%
Special Dept Expense-Other	86-2559	\$6,200	\$6,200	\$0	0%
Transportation & Travel	86-2610	\$9,700	\$9,500	(\$200)	-2%
Utilities	86-2640	\$200	\$200	\$0	0%
MAJOR OBJECT TOTALS		\$334,020	\$260,020	(\$74,000)	-22%
AB2766 Clean Air Funds	86-3200	\$122,000	\$110,200	(\$11,800)	-10%
AB923 Program	86-3200	\$750,000	\$800,000	\$50,000	7%
Equipment	86-4300	\$4,300	\$0	(\$4,300)	-100%
Appropriation for Contingency	86-9900	\$575,743	\$640,596	\$64,853	11%
MAJOR OBJECT TOTALS		\$1,452,043	\$1,550,796	\$98,753	7%
FUND 422 TOTAL FINANCING REQUIREMENTS		\$2,373,803	\$2,460,941	\$87,138	4%

**YOLO-SOLANO AIR QUALITY MANAGEMENT DISTRICT
MOBILE SOURCE PROGRAM (SOLANO CO. PROPERTY TAX)
REVENUE AND EXPENDITURE DETAIL
Final Budget - Fiscal Year 2012/2013**

Description	Account No.	Board Approved	Projected	Variance	Variance %
		Revenue FY 11/12	Revenue FY 12/13	Increase / (Decrease)	
AB 8 Solano Tax Revenue	82-5820	\$220,000	\$220,000	\$0	0%
Redevelopment, Statutory Pass-Through	82-5711	\$0	\$0	\$0	n/a
Fund Balance Available		\$282,420	\$359,345	\$76,925	27%
TOTAL FINANCING AVAILABLE		\$502,420	\$579,345	\$76,925	15%

Description	Account No.	Board Approved	Projected	Variance	Variance %
		Expenditures FY 11/12	Expenditures FY 12/13	Increase / (Decrease)	
Clean Air Funds Projects	86-3102	\$180,000	\$211,000	\$31,000	17%
Solano (Yolo-Solano) Lawnmower Program	86-3200	\$9,000	\$9,000	\$0	0%
Administrative Fee	86-2420	\$22,000	\$22,000	\$0	0%
Contingency	86-9900	\$291,420	\$337,345	\$45,925	16%
TOTAL FINANCING REQUIREMENTS		\$502,420	\$579,345	\$76,925	15%

This is a restricted fund which is used exclusively for tracking revenue and expenditures associated with Solano County AB8 property tax revenue. Solano County originally established a Northeast Air Pollution Control District, and by a Joint Powers Agreement in 1972, it was incorporated into the Yolo-Solano APCD. AB8 revenue is from property taxes in Solano County. A revision to the Agreement in April 1994 allows for distribution of the tax proceeds to qualifying Clean Air Funds projects, and an administrative charge for collection and administration of the program.

Projections for revenue received under AB8 is the same as 2011/2012 at \$220,000. Normally revenue arrives from Solano County in three installments throughout the fiscal year (January, May, and July). The District rolls the amount received during the prior fiscal year to the Clean Air Funds Program for the current year. By doing this, money is available for disbursement to qualified projects.

The redevelopment agencies (RDA) statutory pass-thru funds received under 82-5711 are required to be distributed to the air district due to legislative action, as we are an entity that receives tax proceeds from Solano County. Since the pass-thru is unknown, we do not budget for the revenue. Repayment of tax proceeds might be required if property owners appeal their property's assessed value within the RDA project area. If the property owner is successful in the appeal process (the appeals process can take years), and their taxes are reduced, tax proceeds would be required to be paid back to Solano County. Solano County would then reduce the tax allocation in the next installment made to the District.

In addition to the CAF allocation of \$211,000, we are requesting to use up to \$9,000 of AB8 funds for allocation to the Yolo Solano lawnmower exchange program.

YOLO-SOLANO AIR QUALITY MANAGEMENT DISTRICT

GENERAL FUND - REVENUE DETAIL

Fiscal Year 2011/2012 - Year Ending June 30, 2012

DESCRIPTION	Account No.	Approved Revenue FY 11/12	Revenue Ending 6/30/12	Variance Increase / (Decrease)	Variance %
STATIONARY SOURCE PROGRAM					
Renewal Permits	82-2600	\$1,268,000	\$1,319,973	\$51,973	4%
New Permits	82-2601	\$150,000	\$158,176	\$8,176	5%
Source Testing	82-2611	\$104,200	\$126,809	\$22,609	22%
Agricultural Engine Registrations	82-2612	\$89,550	\$93,733	\$4,183	5%
Portable Equipment Registration - State ARB	82-5500	\$88,000	\$91,423	\$3,423	4%
EPA 105 Pilot Grant (Federal Revenue)	82-5670	\$0	\$79,923	\$79,923	n/a
SUBTOTAL		\$1,699,750	\$1,870,037	\$170,287	10%
Fees/Air Toxics State Program	82-2604	\$7,240	\$5,559	(\$1,681)	-23%
Agricultural Burning Program	82-2606	\$20,000	\$25,429	\$5,429	27%
Asbestos Program	82-2607	\$17,500	\$18,249	\$749	4%
SUBTOTAL		\$44,740	\$49,237	\$4,497	10%
Mutual Settlement Program	82-3300	\$150,000	\$212,409	\$62,409	42%
Interest Earned (includes 82-4100 & 4199)	82-41XX	\$8,000	\$8,000	\$0	0%
State Revenue - Subvention	82-5490	\$90,000	\$89,656	(\$344)	0%
ARB-LGER & PERS Medicare (State Revenue)	82-5500	\$10,000	\$27,575	\$17,575	176%
EPA PM 2.5 Grant (Federal Revenue)	82-5670	\$0	\$10,100	\$10,100	n/a
Administrative Overhead	82-6390	\$247,000	\$238,264	(\$8,736)	-4%
Penalty Assessments	82-6399	\$7,500	\$20,250	\$12,750	170%
Other-Revenue	82-7700	\$15,000	\$11,179	(\$3,821)	-25%
Stale Date Warrants	82-7705	\$0	\$0	\$0	0%
Sale of Fixed Assets	82-8100	\$0	\$3,354	\$3,354	n/a
SUBTOTAL		\$527,500	\$620,787	\$93,287	18%
TOTALS		\$2,271,990	\$2,540,061	\$268,071	12%
FUND BALANCE AVAILABLE		\$571,578	\$588,000	\$16,422	3%
Transfer Funds from General Reserves		\$0	\$0	\$0	n/a
Transfer to Operating Budget (Restricted Cash-Special)		\$0	\$0	\$0	n/a
TOTAL FINANCING AVAILABLE		\$2,843,568	\$3,128,061	\$284,493	10%

Unanticipated Revenue: \$284,493

Unspent Appropriations: \$456,515

Projected Fund Balance Available for 12/13: **\$741,008**

YOLO-SOLANO AIR QUALITY MANAGEMENT DISTRICT
GENERAL FUND - EXPENDITURE DETAIL
Fiscal Year 2011/2012 - Year Ending June 30, 2012

Account Name	Account No.	Approved Expenditures FY 11/12	Expenditures Ending 6/30/12	Variance Increase / (Decrease)	Variance %
Regular Employees	86-1101	\$1,398,750	\$1,153,946	(\$244,804)	-18%
Extra-Help	86-1102	\$0	\$0	\$0	0%
Overtime (includes expedite program)	86-1103	\$19,700	\$14,726	(\$4,974)	-25%
Vacation/Payroll Buyback (or payout)	86-1107	\$13,000	\$55,086	\$42,086	324%
Retirement	86-1201	\$270,600	\$222,430	(\$48,170)	-18%
Medicare Tax	86-1203	\$20,450	\$17,413	(\$3,037)	-15%
Employee Group Insurance	86-1300	\$317,400	\$253,009	(\$64,391)	-20%
Unemployment Insurance	86-1400	\$5,370	\$5,000	(\$370)	-7%
Workers Compensation Insurance	86-1500	\$11,000	\$11,419	\$419	4%
Sick Leave & Deferred Comp Incentive, FSA	86-1600	\$20,300	\$17,452	(\$2,848)	-14%
FUND 421 - SALARY & BENEFIT TOTALS		\$2,076,570	\$1,750,481	(\$326,089)	-16%
Clothing and Personal Supplies	86-2050	\$2,400	\$258	(\$2,142)	-89%
Communications	86-2090	\$16,300	\$12,239	(\$4,061)	-25%
Food	86-2130	\$900	\$934	\$34	4%
Household Expense	86-2170	\$1,800	\$1,423	(\$377)	-21%
Household Expense-Contracts	86-2171	\$16,250	\$16,248	(\$2)	0%
Insurance-Public Liability	86-2202	\$19,000	\$15,897	(\$3,103)	-16%
Maint-Equipment	86-2271	\$19,000	\$22,318	\$3,318	17%
Maint-Bldgs & Improv	86-2272	\$850	\$227	(\$623)	-73%
Medical, Dental & Lab Supplies	86-2300	\$400	\$222	(\$178)	-45%
Memberships	86-2330	\$6,700	\$3,923	(\$2,777)	-41%
Miscellaneous Expense	86-2360	\$2,400	\$1,014	(\$1,386)	-58%
Office Expense	86-2390	\$11,700	\$9,142	(\$2,558)	-22%
Office Expense-Postage	86-2391	\$12,850	\$8,000	(\$4,850)	-38%
Office Expense-Printing	86-2392	\$7,800	\$3,075	(\$4,725)	-61%
Indirect Cost (JPA with Yolo Co.)	86-2420	\$7,500	\$11,980	\$4,480	60%
Auditing and Fiscal Services	86-2421	\$33,100	\$34,305	\$1,205	4%
Information Services	86-2422	\$48,000	\$48,000	\$0	0%
Legal Services (County Counsel)	86-2423	\$49,100	\$50,429	\$1,329	3%
Medical Services	86-2425	\$800	\$455	(\$345)	-43%
Professional & Specialized Services	86-2429	\$43,000	\$38,745	(\$4,255)	-10%
Trustees, Commiss & Directors	86-2430	\$15,700	\$10,820	(\$4,880)	-31%
Publications & Legal Notices	86-2460	\$3,000	\$3,030	\$30	1%
Rents & Leases-Equipment	86-2491	\$4,100	\$1,179	(\$2,921)	-71%
Rents & Lease-Bldgs & Improv	86-2492	\$160,900	\$160,203	(\$697)	0%
Small Tools & Minor Equip.	86-2520	\$20,000	\$18,854	(\$1,146)	-6%
Training Expense	86-2548	\$9,400	\$3,336	(\$6,064)	-65%
Special Dept Expense-Other	86-2559	\$2,200	\$1,387	(\$813)	-37%
Transportation & Travel	86-2610TT	\$23,600	\$13,461	(\$10,139)	-43%
Vehicle Fuel	86-2610VF	\$12,100	\$10,215	(\$1,885)	-16%
Utilities	86-2640	\$11,000	\$8,729	(\$2,271)	-21%
Contributions to Special Programs & Projects	86-3200	\$20,000	\$4,823	(\$15,177)	-76%
Capital Lease/Interest (86-3360/3500)	86-33XX	\$9,600	\$9,206	(\$394)	-4%
MAJOR OBJECT TOTAL		\$591,450	\$524,077	(\$67,373)	-11%
Equipment	86-4300	\$7,720	\$7,495	(\$225)	100%
Appropriation for Contingency	86-9900	\$167,828	\$105,000	(\$62,828)	-37%
MAJOR OBJECT TOTAL		\$175,548	\$112,495	(\$63,053)	-36%
FUND 421 TOTAL FINANCING REQUIREMENTS		\$2,843,568	\$2,387,053	(\$456,515)	-16%

**YOLO-SOLANO AIR QUALITY MANAGEMENT DISTRICT
MOBILE SOURCE PROGRAM (DMV Fees) - REVENUE DETAIL
Fiscal Year 2011/2012 - Year Ending June 30, 2012**

DESCRIPTION	Account No.	Approved Revenue FY 11/12	Revenue Ending 6/30/12	Variance Increase / (Decrease)	Variance %
State - AB2766 DMV Funds	82-5500	\$1,012,000	\$1,072,712	\$60,712	6%
State - AB923 DMV Funds	82-5140	\$510,500	\$536,356	\$25,856	5%
Interest	82-4100	\$8,000	\$10,000	\$2,000	25%
Other Revenue	82-7700	\$0	\$0	\$0	0%
SUBTOTAL		\$1,530,500	\$1,619,068	\$88,568	6%
FUND BALANCE AVAILABLE		\$843,303	\$847,677	\$4,374	1%
TOTAL FINANCING AVAILABLE		\$2,373,803	\$2,466,745	\$92,942	4%

Unanticipated Revenue: \$92,942
Unspent Appropriations: \$813,293
Projected Fund Balance Available for 12/13: **\$906,235**

MOBILE SOURCE PROGRAM (DMV Fees) - EXPENDITURE DETAIL

Account Name	Account No.	Approved Expenditures FY 11/12	Expenditures Ending 6/30/12	Variance Increase / (Decrease)	Variance %
Regular Employees	86-1101	\$414,240	\$401,713	(\$12,527)	-3%
Overtime	86-1103	\$2,700	\$34	(\$2,666)	-99%
Vacation/Payroll Buyback	86-1107	\$7,000	\$13,310	\$6,310	90%
Retirement	86-1201	\$80,150	\$77,715	(\$2,435)	-3%
Medicare Tax	86-1203	\$6,050	\$5,971	(\$79)	-1%
Employee Group Insurance	86-1300	\$67,050	\$58,465	(\$8,585)	-13%
Unemployment Insurance	86-1400	\$1,350	\$1,489	\$139	10%
Workers Compensation Insurance	86-1500	\$4,500	\$4,478	(\$22)	0%
Sick Leave & Deferred Comp Incentive	86-1600	\$4,700	\$3,094	(\$1,606)	-34%
FUND 422 - SALARY & BENEFIT TOTALS		\$587,740	\$566,269	(\$21,471)	-4%
Clothing and Personal Supplies	86-2050	\$300	\$0	(\$300)	-100%
Communications	86-2090	\$1,420	\$1,362	(\$58)	-4%
Food	86-2130	\$300	\$113	(\$187)	-62%
Maint-Equipment	86-2271	\$8,400	\$5,415	(\$2,985)	-36%
Maint-Bldgs. & Improvements	86-2272	\$300	\$0	(\$300)	-100%
Memberships	86-2330	\$4,000	\$2,609	(\$1,391)	-35%
Miscellaneous Expense	86-2360	\$100	\$20	(\$80)	-80%
Office Expense	86-2390	\$1,500	\$860	(\$640)	-43%
Office Expense-Postage	86-2391	\$300	\$219	(\$81)	-27%
Office Expense-Printing	86-2392	\$5,700	\$3,086	(\$2,614)	-46%
Administrative Overhead (Fund 421)	86-2420	\$225,000	\$216,264	(\$8,736)	-4%
Auditing and Fiscal Services	86-2421	\$1,600	\$225	(\$1,375)	-86%
Information Services	86-2422	\$900	\$872	(\$28)	-3%
Medical Services	86-2425	\$200	\$181	(\$19)	-10%
Professional & Specialized Services	86-2429	\$54,300	\$20,735	(\$33,565)	-62%
Trustees, Commiss. & Directors	86-2430	\$600	\$400	(\$200)	-33%
Publications & Legal Notices	86-2460	\$1,100	\$1,811	\$711	65%
Rents & Leases-Equipment	86-2491	\$0	\$0	\$0	0%
Rents & Lease-Bldgs & Improv	86-2492	\$1,100	\$700	(\$400)	-36%
Small Tools & Minor Equipment	86-2520	\$7,350	\$7,355	\$5	0%
Training Expense	86-2548	\$3,450	\$1,586	(\$1,864)	-54%
Special Dept Expense-Other	86-2559	\$6,200	\$5,795	(\$405)	-7%
Transportation & Travel	86-2610	\$9,700	\$8,482	(\$1,218)	-13%
Utilities	86-2640	\$200	\$121	(\$79)	-40%
MAJOR OBJECT TOTALS		\$334,020	\$278,211	(\$55,809)	-17%
AB2766 Clean Air Funds	86-3200	\$122,000	\$121,773	(\$227)	0%
AB923 Program	86-3200	\$750,000	\$590,156	(\$159,844)	-21%
Equipment	86-4300	\$4,300	\$4,101	(\$199)	100%
Appropriation for Contingency	86-9900	\$575,743	\$0	(\$575,743)	-100%
MAJOR OBJECT TOTALS		\$1,452,043	\$716,030	(\$736,013)	-51%
FUND 422 TOTAL FINANCING REQUIREMENTS		\$2,373,803	\$1,560,510	(\$813,293)	-34%

**YOLO-SOLANO AIR QUALITY MANAGEMENT DISTRICT
MOBILE SOURCE PROGRAM (SOLANO CO. PROPERTY TAX)
REVENUE AND EXPENDITURE DETAIL**

Fiscal Year 2011/2012 - Year Ending June 30, 2012

Description	Account No.	Approved	Revenue	Variance	
		Revenue	Ending	Increase /	Variance
		FY 11/12	6/30/12	(Decrease)	%
AB 8 Solano Tax Revenue	82-5820	\$220,000	\$251,241	\$31,241	14%
Redevelopment, Statutory Pass-Through	82-5711	\$0	\$29,184	\$29,184	0%
Fund Balance Available		\$282,420	\$285,420	\$3,000	1%
TOTAL FINANCING AVAILABLE		\$502,420	\$565,845	\$63,425	13%

Description	Account No.	Approved	Expenditures	Variance	
		Expenditures	Ending	Increase /	Variance
		FY 11/12	6/30/12	(Decrease)	%
Clean Air Funds Projects	86-3102	\$180,000	\$180,000	\$0	0%
Solano (Yolo-Solano) Lawnmower Program	86-3200	\$9,000	\$4,500	(\$4,500)	-50%
Administrative Fee	86-2420	\$22,000	\$22,000	\$0	0%
Contingency	86-9900	\$291,420	\$0	(\$291,420)	-100%
TOTAL FINANCING REQUIREMENTS		\$502,420	\$206,500	(\$295,920)	-59%

Unanticipated Revenue:	\$63,425
Unspent Appropriations:	\$295,920
Projected Fund Balance Available for 12/13:	\$359,345

PERSONNEL

Approved Job Classifications

(The table below outlines the approved job classifications for 2011/2012 and 2012/2013)

Job Classifications	FY 2011/2012 FTE¹	FY 2012/2013 FTE¹	Increase / Decrease
<u>Executive Positions</u>			
Executive Director/Air Pollution Control Officer	1.00	1.00	0.00
<u>Exempt Management Positions</u>			
Deputy Air Pollution Control Officer	1.00	1.00	0.00
Administrative Services Officer	1.00	1.00	0.00
Supervising Air Quality Engineer	1.00	1.00	0.00
Supervising Air Quality Planner	1.00	1.00	0.00
Supervising Air Quality Specialist	1.00	1.00	0.00
<u>Administrative/Clerical Positions</u>			
Administrative Assistant	1.00	1.00	0.00
Administrative Clerk II/Clerk of the Board	1.00	1.00	0.00
Administrative Clerk I/II	2.00	2.00	0.00
Public Information Officer	1.00	1.00	0.00
<u>Compliance/Technical Positions</u>			
Air Monitoring Technician I/II	1.00	1.00	0.00
Assistant/Associate Air Quality Specialist	5.00	4.00	-1.00
Senior Air Quality Specialist	1.00	1.00	0.00
<u>Engineering and Technical Positions</u>			
Assistant/Associate Air Quality Engineer	5.00	4.00	-1.00
Engineering Technician	1.00	1.00	0.00
<u>Planning Positions</u>			
Assistant/Associate Air Quality Planner	<u>2.00</u>	<u>1.00</u>	<u>-1.00</u>
TOTAL	26.00	23.00	-3.00

¹FTE - Full-Time Employee Equivalency

Executive Director/APCO Recommendations

- The District is eliminating three positions from the organization structure for fiscal year 2012/2013 as a cost saving measure. Two positions from the General Fund (1- specialist and 1 – engineer), and one position from the Mobile Source DMV fund (1 – planner). This brings the total to 23 FTEs.
- As part of the Agreement (MOU) with the Yolo-Solano Air Quality Management District Employees Association, the following was approved by the Board of Directors on June 13, 2012, under salaries and benefits, and effective July 1, 2012.
 - Cost of living adjustment (COLA) of 2%. For fiscal years 2013/2014 and 2014/2015, COLAs will be based on the California Consumer Price Index (CPI) prior year April to April, with a minimum of 0% to a maximum of 2%.
 - District contribution to health benefits through the Public Employees Medical and Hospital Care Act (PEMHCA) is capped at the 90% Kaiser 2012 premium rates for 2012/2013, 2013/2014 and 2014/2015 of: employee only - \$550; employee + one - \$1,100; and employee + family - \$1,430.
 - Cafeteria benefits are offered for active employees covered under the MOU, who have not opted out of the District’s health insurance program. The District will pay 50% of any increase in premiums under Kaiser – Bay Area based on the individual employee’s level of coverage.
 - Effective July 1, 2012, employees will pay 1% of their CalPERS member contribution, Employer Paid Member Contribution (EPMC). In fiscal year 2013/2014, employees will pay 1.5% of the EPMC, and in 2014/2015, employees will pay 2% of the EPMC.
- Confidential and exempt positions (Administrative Assistant, Administrative Services Officer, Deputy Air Pollution Control Officer, and Supervising Air Quality Engineer, Planner and Specialist) and the Executive Director have also been approved to receive the salary and benefit changes effective July 1, 2012:
 - COLA of 2%. For fiscal years 2013/2014 and 2014/2015, COLAs will be based on the California Consumer Price Index (CPI) prior year April to April, with a minimum of 0% to a maximum of 2%.
 - District contribution to health benefits through the PEMHCA is capped at the 90% Kaiser 2012 premium rates for 2012/2013, 2013/2014 and 2014/2015 of: employee only - \$550; employee + one - \$1,100; and employee + family - \$1,430.
 - The District will pay 50% of any increase in premiums under Kaiser – Bay Area based on the employee’s level of coverage as cafeteria dollars.
 - Effective July 1, 2012, employees will pay 1% of their CalPERS member contribution, Employer Paid Member Contribution (EPMC). In fiscal year 2013/2014, employees will pay 1.5% of the EPMC, and in 2014/2015, employees will pay 2% of the EPMC.

FUND BALANCE SUMMARY & CLASSIFICATIONS

Appropriate Level of Fund Balances in the General Fund

The most difficult question often asked by government officials is, "How much fund balance is enough?" Fund balance is intended to serve as a measure of the financial resources available in a governmental fund. It is essential that governments maintain adequate levels of fund balance to mitigate current or future risks (e.g., revenue shortfalls and unanticipated expenditures.) Fund balance levels are a crucial consideration, too, in long-term financial planning.

Accountants employ the term fund balance to describe the net assets of governmental funds calculated in accordance with generally accepted accounting principles (GAAP). Fund balance is intended to serve as a measure of the financial resources available in a governmental fund. Fund balance is also defined as the difference between a fund's assets and liabilities.

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). Also, revenue received under AB2766, AB923 and AB8 are classified as "Restricted." The amounts shown below reflect the history of the District's General Fund 421-Fund Balance from 2007/2008 to 2010/2011. Starting in 2011/2012 we have taken into consideration AB2766 operating costs and included this in the calculations for year ending 2011/2012 and for the final budget projections for 2012/2013.

Revenue and expenditures for each fiscal year can be complicated due to unusual items that would distort the trends (e.g., one-time revenues and expenditures).

The adequacy of fund balances in the general fund should be assessed based upon the District's own specific circumstance. 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 general fund operating revenues or regular general fund operating expenditures. The District Board adopted the policy in 2002 of at least 10 percent of regular general fund operating revenues in the reserved fund balance, which is now classified as unassigned fund balance (general reserves and contingency). Since the contingency account fluctuates each fiscal year, the importance of maintaining the general reserve at an appropriate level should continue to be the focus for the District in long range planning. With the contingency funds and all reserves in the 2012/2013 budget, the combined projected total is at 19 percent of the District's operating revenue (includes the General Fund and the Mobile Source DMV AB2766 Fund), within the Board's goal of maintaining at least a 10 percent fund balance, now referred to as "Unassigned Fund Balance."

The District's General Fund's unassigned "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 contingency account (unassigned fund balance), which is used for the calculation of the appropriate level of unassigned reserves. Use of contingency or reserves requires prior board approval. The specific purposes for use would be based on unanticipated budgetary shortfalls in excess of the approved operating budget.

Important factors for the Board to consider when looking for the appropriate level of the unassigned fund balance (cash available for obligation) include:

- * The predictability of its revenues and the volatility of its expenditures (i.e., higher levels of unassigned fund balance and cash available to obligate for next fiscal year) may be needed if significant revenue sources are subject to unpredictable fluctuations or if operating expenditures are highly volatile.
- * Its perceived exposure to significant one-time outlays (e.g. disasters, immediate capital needs, state budget cuts).
- * The availability of resources in other funds such as the Mobile Source DMV AB2766 funds which are used for operating costs (salaries, benefits, services and supplies) could be a potential drain upon general fund resources if there is a reduction of DMV revenue. As such it is appropriate to consider these operating costs in the analysis of the percentage of operating costs vs. the fund balances maintained by the District. For fiscal year ending June 30, 2012 and for the projected budget for 2012/2013 we have added that factor into the calculations as shown below under fund balance history.

* Liquidity: A disparity between when financial resources actually become available to make payments and the average maturity of related liabilities may require that a higher level of resources be maintained.

* Commitments and Assignments: Government agencies may wish to maintain higher levels of unassigned fund balance to compensate for any portion of assigned fund balance already designated for a specific purpose.

References: GFOA Board approval October 2009.

Fund Balance History

Fiscal Year	Fund Balance-General & DMV AB2766 Funds (Unassigned)			Fund Balance - Contingency (General & DMV AB2766) and General Fund Reserves (Unassigned, Assigned and Committed)					
	Unassigned Fund Balance ¹	Revenue	% of Revenue Budget	Contingency (Unassigned) Fund Balance ¹	% of Contingency and Revenue Budget	Equipment & Special Program Reserves (Assigned ² & Committed ³)	General Reserve ¹ (Unassigned)	% of General Reserves and Revenue Budget	% of Revenue Budget (combined reserves)
2007/08	\$689,700	\$2,255,236	31%	\$215,147	10%	\$69,736	\$299,146	16%	26%
2008/09	\$807,999	\$2,389,254	34%	\$245,521	10%	\$108,829	\$299,146	17%	27%
2009/10	\$755,744	\$2,307,471	33%	\$187,866	8%	\$35,448	\$299,146	15%	23%
2010/11	\$607,343	\$2,433,099	25%	\$143,680	6%	\$22,078	\$259,146	12%	17%
2011/12	\$588,000	\$3,497,000	17%	\$62,828	2%	\$132,487	\$259,146	7%	13%
2012/13	\$782,212	\$3,278,307	24%	\$328,150	10%	\$27,699	\$259,146	8%	19%

Note: Starting in 2011/2012 AB2766 operating revenue is being considered in the percentage of revenue to the fund balance and reserve calculations.

: 2011/12 Projected Year-end Revenue
 : 2012/13 Projected Fund Balance & Budgeted Revenue (General Fund and Mobile Source DMV AB2766. The amount allocated to the CAF grant program is deducted from operating revenue under DMV)
 : 2012/13 Projected Contingency and Fund Balance

¹ Unassigned Fund Balance: This includes prior year fund balance (cash) that was not used, contingency and general reserves.

² Assigned Fund Balance: Equipment and special program reserve accounts.

³ Committed Fund Balance: OPEB reserves of \$105,000, approved by the Board in 2011/2012. This will move to the 2012/2013 operating budget for disbursement to an OPEB trust.

SUMMARY OF CLASSIFICATIONS:

The District reclassified our fund balances per the recommendation of our independent auditor, Vavrinke, Trine, Day & Co., LLP (VTD) and based on the recommendation of the Government Accounting Standards Board (GASB) Statement 54. 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. 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 ASO. All of the District's encumbrances are related to grants.

* Unassigned: General reserves and contingency accounts. 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: AB2766, AB923 and AB8. Resources that are 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, prior to placing in trust fund. Resources with self-imposed limitations, evidenced by the Board's approved formal action (minute order).

* Nonspendable: Prepaid expenses. 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.

GENERAL FUND BUDGET REVIEW BY PROGRAM
Final Budget - Fiscal Year 2012/13

Program Name	Subvention	Revenue Projections for 12/13	Revenue Total for Cost Recovery	FTE%	Expenditures	Variance Positive or (Negative)	Cost Recovery Percentage
Stationary Source	\$71,788	\$1,811,153	\$1,882,941	79.76%	\$2,222,336	(\$339,395)	85%
Air Toxics	\$317	\$5,600	\$5,917	0.35%	\$9,817	(\$3,900)	60%
Agricultural Burning	\$2,589	\$21,000	\$23,589	2.88%	\$80,149	(\$56,560)	29%
Asbestos	\$1,049	\$19,000	\$20,049	1.17%	\$32,466	(\$12,417)	62%
Mutual Settlement	\$5,024	\$155,000	\$160,024	5.58%	\$155,529	\$4,495	103%
Administration, Miscellaneous	\$9,233	\$250,950	\$260,183	10.26%	\$411,468	(\$151,284)	63%
Totals	\$90,000	\$2,262,703	\$2,352,703	100%	\$2,911,765	(\$559,062)	
		OPEB Reserves:	\$105,000			:Contingency	
		Fund Balance:	\$741,008		\$286,946		
		BUDGET TOTALS FOR 12/13:	\$3,198,711		\$3,198,711		

Cost recovery is based on current salaries and benefits, and includes prefunding Other Post Employment Benefits (OPEB) for healthcare at \$121,100 from the General Fund for the current year, and \$105,000 from OPEB reserves from 2011/2012. The \$105,000 is not part of the cost recovery in the stationary source program, as this amount was part of the year-ending cost recovery for 2011/12.

GENERAL FUND BUDGET REVIEW BY PROGRAM

Year-End for Fiscal Year 2011/2012

Projections as of June 30, 2012

Program Name	Subvention	Revenue Projections	Revenue Total for Cost Recovery	FTE%	Expenditures	Variance Positive or (Negative)	Cost Recovery Percentage
Stationary Source	\$73,033	\$1,870,037 ¹	\$1,943,070	81.5%	\$1,940,541 ²	\$2,529	100%
Air Toxics	\$659	\$5,559	\$6,218	0.73%	\$17,506	(\$11,288)	36%
Agricultural Burning	\$2,721	\$25,429	\$28,150	3.0%	\$72,308	(\$44,158)	39%
Asbestos	\$674	\$18,249	\$18,923	0.75%	\$17,918	\$1,005	106%
Mutual Settlement	\$6,265	\$212,409	\$218,674	7.0%	\$166,475	\$52,200	131%
Administration, Miscellaneous	\$6,303	\$318,722	\$325,025	7.0%	\$172,305	\$152,720	189%
Totals	\$89,656	\$2,450,405	\$2,540,061	100%	\$2,387,053	\$153,008	
Fund Balance:			\$588,000				
PROJECTED BUDGET TOTALS FOR 11/12:			\$3,128,061		\$2,387,053	Fund Balance \$741,008	

¹ Includes the EPA 105 pilot grant of \$79,923 which is included in the stationary source program.

² Cost recovery is based on current salaries and benefits, and includes prefunding Other Post Employment Benefits (OPEB) for healthcare at \$105,000 for 2011/12. Prior to year end we moved \$105,000 into a reserve account. Once we join a trust in 2012/13, we will move the reserves into the budget, and pay the trust the \$105,000. If we prefunded the entire set aside OPEB for 2011/12 at \$175,000, cost recovery would be at approximately 97% based on OPEB actuarial dated September 2010.

Note: Reaching 100% of cost recovery is due to the following factors: EPA 105 pilot grant, and staff vacancies throughout the fiscal year (3 resignations and 2 retirements, and leaving 2 of those positions vacant until 2012/13).

FUND 422 - AB2766 and AB923 Revenue and Expenditure Tracking

AB2766

The District collects \$4.00 from the Department of Motor Vehicles (DMV) per registered motor vehicle in the District's jurisdiction. Under AB2766 the District is allowed to use the funds to support the California Clean Air Act as it relates to mobile sources. This includes support for staff working within the mobile source program, direct and indirect costs to support the staff, and a 5% administrative fee. A portion of the funds is used to support the Clean Air Funds grant program when funding is available.

AB923

The DMV also collects \$2.00 per registered motor vehicle on behalf of the District. The District has released funding in the past under the District's Clean School Bus Program. This funding is restricted and must be used in one of the following categories: 1) The new purchase, retrofit, repower, or add-on equipment for previously unregulated agricultural sources of air pollution; 2) new purchase of school buses pursuant to the Air Resources Board's (ARB's) Lower-Emission School Bus Program; 3) an accelerated vehicle retirement or repair program that is adopted by the state board; and 4) projects eligible for grants under the Carl Moyer Program. This funding sunsets on January 1, 2015. The District is allowed to use 5% of the funding as an administrative fee.

Fund 422 - DMV AB2766

DESCRIPTION	Account No.	Projected Revenue FY 12/13
State - AB2766 DMV Funds	82-5500	\$1,029,804
Interest	82-4100	\$6,000
Other Revenue	82-7700	\$0
FUND 422, AB2766 REVENUE		\$1,035,804

DESCRIPTION	Account No.	Projected Expenditures FY 12/13
Salaries and Benefits		\$650,125
Services, Supplies (including Adm. Overhead)		\$234,275
AB2766 Clean Air Funds	86-3200	\$110,200
Equipment	86-4300	\$0
Appropriation for Contingency	86-9900	\$41,204 Available to move to 2013/14
FUND 422 AB2766 EXPENDITURES		\$1,035,804

Fund 422 - DMV AB923

DESCRIPTION	Account No.	Projected Revenue FY 12/13
State - AB923 DMV Funds	82-5140	\$514,902
Interest	82-4100	\$4,000
Other Revenue	82-7700	\$0
Fund Balance Available		\$906,235
FUND 422, AB923 REVENUE		\$1,425,137

DESCRIPTION	Account No.	Projected Expenditures FY 12/13
AB923 Program	86-3200	\$800,000
Admin Fee 5%	86-2420	\$25,745
Appropriation for Contingency	86-9900	\$599,392 Available to move to 2013/14
FUND 422, AB923 EXPENDITURES		\$1,425,137

TOTAL - FUND 422, AB2766 AND AB923 FY 2012/2013: \$2,460,941

Variances - Budget Account Line Items with Variances

Greater than 15% / \$2,500

General Fund - Revenue:

Description	Account No.	Increase/ (Decrease)	+/-15%	Explanation
Agricultural Engine Registrations	82-2612	(\$15,350)	-17%	Decrease: Intermittent use engines have used up their hours and will not be renewing, and the change of diesel power to electricity has reduced the number of engines in the program.
EPA 105 Pilot Grant under the CAA	82-5670	\$79,923	n/a	Increase: We have been awarded the pilot grant for FY 2012/2013.
EPA 103 PM2.5 Grant (Federal Revenue)	82-5670	\$23,450	232%	Increase: Additional revenue from the EPA of \$23,450 to be used toward the District's BAM air monitoring stations for the replacement of three (3) dataloggers.
Administrative Overhead (from 422/423)	82-6390	(\$63,600)	-26%	Decrease: We have reduced the amount from Fund 422 by \$63,600.
Fund Balance Available	n/a	\$169,431	30%	Increase: Savings from prior year in salary and benefits, and unused contingency moves to 2012/2013 as fund balance available.
Transfer From OPEB Reserves	n/a	\$105,000	n/a	Transferring reserves into operating budget to pay into an OPEB trust in FY 2012/2013.

General Fund - Expenditures:

Extra-Help	86-1102	\$35,700	n/a	Add funding for extra-help, if needed, to assist the District in meeting goals in mandated programs due to reduced staffing levels.
Overtime (includes expedite program)	86-1103	(\$6,560)	-33%	Decrease: Majority of the overtime is related to the expedite permit application program. Less work is projected for 2012/2013.
OPEB	86-1301	\$293,550	n/a	Increase: First year to set aside annual required contribution (ARC) that includes the set aside funding. Includes the \$105,000 from FY 2011/12. Note: Pay-as-you-go was previously tracked under 86-1300.
Insurance Public Liability	86-2202	\$3,000	16%	Increase: Self-insurance program through PARMIA.
Maintenance of Equipment	86-2271	\$2,800	15%	Increase: Due to expenditure trend of FY 2011/2012, and additional funds needed per contract language for IT contractor for maintenance service.

General Fund - Expenditures (Continued):

Indirect Costs to Yolo County	86-2420	\$5,100	68%	Increase: Costs continue to increase through A-87 arrears.
Auditing & Fiscal Services	86-2421	\$6,400	19%	Increase: OPEB valuation costs and County services will increase in 2012/2013.
Professional & Specialized Services	86-2429	\$8,400	20%	Increase: Additional services added in 2012/2013 to hire a contractor to work on the District's AB2588 air toxic hot spots program.
Rents & Leases-Equipment	86-2491	(\$2,780)	-68%	Decrease: No longer leasing postage equipment. Month to month rental has reduced our costs.
Small Tools & Minor Equipment	86-2520	(\$6,200)	-31%	Decrease: Based on budgeted expenditures for 2012/2013.
Equipment	86-4300	\$45,380	588%	Increase: Truck replacement and three (3) dataloggers.
Appropriation for Contingency	86-9900	\$119,118	71%	Increase: Unassigned cash for use in 2012/2013 if board approved.

Mobile Source Program (DMV) - Revenue:

None to report.

Mobile Source Program (DMV) - Expenditures:

Administrative Overhead (Fund 421)	86-2420	(\$63,600)	-28%	Decrease: Reduction in 2012/2013 is necessary to ensure AB2766 revenue is supporting operating costs within Fund 422.
OPEB	86-1301	\$51,900	n/a	Increase: First time funding annual required contribution. Using 30% of DMV2766 revenue to fund, with 70% coming from the general fund.
Small Tools & Minor Equipment	86-2520	(\$2,850)	-39%	Decrease: Based on budgeted expenditures for 2012/2013.
Equipment	86-4300	(\$4,300)	-100%	Decrease: No major equipment is budgeted for 2012/2013.

Mobile Source Program (Solano AB8) - Revenue and Expenditures:

Fund Balance Available	n/a	\$76,925	27%	Increase: Contingency in the AB8 fund moves into fund balance available in the new year.
Clean Air Funds	86-3102	\$31,000	17%	Increase: Available funds for 2012/2013.
Appropriation for Contingency	86-9900	\$45,925	16%	Increase: Unassigned cash that will be available in 2013/2014 grant year. A portion of contingency is from RDA pass through funds.

Revenue and Expenditure Account Descriptions

REVENUE

<u>Account Number</u>	<u>Account Name</u>	<u>Brief Description</u>
82-2600	Renewal Permit Fees	Annual renewal fees - Stationary source & portable equipment programs.
82-2601	New Permit Fees	New permit fees - Stationary source & portable equipment programs.
82-2604	Air Toxic Hot Spots Fees	State of California-mandated by Assembly Bill 2588.
82-2606	Agricultural Burning - Permit Fees	Fees established for cost recovery on management of the agricultural burn program.
82-2607	Asbestos Notification and Demolition Fees	Fees established for cost recovery on management of the asbestos notification and demolition program.
82-2611	Source Testing Fees	Fees related to stationary source emission testing.
82-2612	Agricultural Engine Program	Fees related to agricultural engine registrations.
82-3300	Settlement - Fines	Mutual settlement program.
82-4100/4199	Interest	Interest earned.
82-5140	State of California	Assembly Bill 923. Additional \$2.00 Vehicle Surcharge on motor vehicles registered in Yolo County and northeastern section of Solano County. Designated for release under programs/projects as allowed under legislation and Board approval.
82-5490	State of California	Subvention Funds available (from the Air Resources Board) to all air districts that meet the criteria as outlined by the California Health & Safety Code. Based on population.
82-5500	State of California Department of Motor Vehicle and/or Other State Agencies	Assembly Bill 2766 for vehicles registered in Yolo Co. & northeastern portion of Solano Co. Designated for use on implementation of the CA Clean Air Act and related activities (AB 2766 \$4), and for clean air programs related to legislative restrictions (AB 923 \$2); and PERP pass-through from the ARB. This account is also used for the ARB mower exchange grant.
82-5670	Federal Revenue	Pass-through revenue for 1) EPA 103 PM2.5 grant program; and 2) EPA 105 Pilot grant program.
82-5811	City of Vacaville, SB 211	Senate Bill 211, statutory pass-through from the City of Vacaville Redevelopment Agency.
82-5820	Solano County Property Tax	Assembly Bill 8: Tax proceeds collected from the northeastern portion of Solano County. Designated for reduction of air pollution from motor vehicles and related activities.
82-6390	Administrative Overhead	Administrative fees for indirect and overhead charges against Fund 422/423.

82-6399	Penalty Assessments	Penalties charges against delinquent payments - Permit Program.
82-7600	Rules and Regulations Sales	Sale of Rules and Regulations.
82-7700	Other - Revenue	Miscellaneous Account - Technical Data Provided, Update / Subscription Services, reimbursement from previous fiscal years, etc.
82-7705	Stale Date Warrants	Warrants over 6 months old that have not been cashed.

EXPENDITURES

<u>Account Number</u>	<u>Account Name</u>	<u>Brief Description</u>
86-2050	Clothing & Personal Supplies	Safety boots, clothing & accessories.
86-2090	Communications	Telephone, cellular phones, Internet connections.
86-2130	Food	Food.
86-2170	Household Expense	Restroom & kitchen paper supplies, pest control, etc.
86-2171	Household Expense-Contracts	Janitorial Service.
86-2202/2203	Insurance - Liability	PARMIA/General & Auto.
86-2271	Maintenance-Equipment	Maintenance agreements, maintenance on vehicles, computers, other equipment.
86-2272	Maintenance-Bldgs. & Improvements	Locksmith services, building improvements/repairs, heating & air conditioning repairs, fire extinguisher refills, etc.
86-2300	Medical Supplies	First Aid Supplies, etc.
86-2330	Memberships	Memberships.
86-2360	Miscellaneous Expense	This category is for misc. expenses that do not fall under any established account number.
86-2390	Office Expense	Office supplies, books and periodicals.
86-2391	Office Expense-Postage	Postage.
86-2392	Office Expense-Printing	Printing charges - newsletters, stationary supplies, forms, brochures, etc.
86-2420	Administrative Indirect Cost	JPA with Yolo County.
86-2421	Auditing & Fiscal Services	Yolo County Auditor/Payroll Charges and Independent Audit.
86-2422	Information Services	Network/Computer support and Internet Services.
86-2423	Legal Services	Attorney fees.
86-2425	Medical Services	Pre-Employment Physicals, Medical Examinations.
86-2429	Professional & Specialized Services	Contracts and services provided including advertising.
86-2430	Trustees, Comm., Directors	District Board of Directors and Hearing Board Members - attendance at District related mtgs.

86-2460	Publications	Public and legal notices, and job announcements / advertisements.
86-2491	Rents & Leases - Equipment	Rental equipment.
86-2492	Rents & Leases - Bldgs.	Office Lease and public event booth rental.
86-2495	Records Storage	Records stored at Yolo County Records Center.
86-2520	Small Tools & Minor Equipment	All equipment purchased under \$3,000 and not considered a fixed asset.
86-2548	Training Expense	All training.
86-2559	Special Dept. Expense - Other	Specialty gases, plaques, public events, employee and board awards, etc.
86-2610	Transportation and Travel	Transportation and travel.
86-2611	Vehicle Fuel	Vehicle Fuel.
86-2640	Utilities	Gas and electricity.
86-3200	Clean Air Funds/Payment to Other Agency	Clean Air Funds/Contributions to non-government agencies or for special programs.
86-3201	Payments to other Gov't Agencies	Clean Air Funds under Fund 423 AB8.
86-4300	Equipment	Equipment Purchases - Fixed Assets.
86-3360/3500	Capital Lease/Interest Account	Lease Equipment.
86-9900	Appropriation for Contingency	Contingency Account. Unreserved fund balance.