



FINAL BUDGET FISCAL YEAR 2015/2016



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

Mission Statement

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

Yolo-Solano Air Quality Management District

Final Budget Fiscal Year 2015/2016



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

***Yolo-Solano Air Quality Management District
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September 9, 2015

Board of Directors:

The recommended final budget for 2015/2016 continues Yolo-Solano Air Quality Management District's commitment to protect public health and property from the harmful effects of air pollution. The budget supports the District in this mission and in the objectives set forth by the Board, and by state and federal law. We have consistently practiced fiscal restraint by focusing on core programs, maintaining tight internal controls and strengthening our financial planning efforts. We will enter the new fiscal year with the same goals. We will continue to work closely with the community and industry to find solutions to the challenge of improving our air quality, and will continue to maximize resources within the District.

Based on projections for 2015/2016, I recommended and the Board approved a cost recovery adjustment based on the CPI prior year April 2013 to April 2014 of 1.9% effective July 1, 2015. The Board originally approved the CPI fee adjustment regulation to avoid future large increases in fees, as the District would rather slowly adjust fees based on the prior year CPI. As such, the adjustment of 1.9% will be a minimal adjustment to the majority of the permit holders, with a goal of not raising fees beyond the CPI adjustment in the future, if it can be avoided. Recommendations approved in the Proposed Budget on June 10, 2015, including the CPI adjustment for fiscal year 2015/2016 are included in the *Executive Summary and Recommendations* of the budget document.

The final budget shows an overall increase of 8 percent over the approved 2014/2015 budget. This increase is due in large part to growth in the Mobile Source DMV AB923 Fund 420, which increased by 26 percent. The available funding for grants under the Agricultural Equipment and Public Fleet Program in 2014/2015 was not fully expended, and as such, \$1,217,000 will roll over to the 2015/2016 fund balance available in Fund 420. Staff has been increasing the public outreach for this program, and it is expected the funds will be utilized in 2015/2016.

It is important to note that the District is continuing its efforts to reduce future long term unfunded liability. The District made a lump sum payment to CalPERS toward the District's accrued unfunded liability in July of \$62,000 and will also make the Annual Required Contribution for OPEB by September of \$130,000 to the CalPERS OPEB Trust Fund.

Another topic to mention is the District's current level of general reserve and stabilization reserve fund balances. I believe the reserves are adequate to mitigate current or future risks, as those levels are crucial considerations in long-term financial planning. An outline of the District's fund balance and classifications are provided in Exhibit B of the budget document.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "MEH", is written over a horizontal line.

Mat Ehrhardt, P.E.

Executive Director/Air Pollution Control Officer

YOLO-SOLANO AIR QUALITY MANAGEMENT DISTRICT

BOARD OF DIRECTORS

Harold Anderson, Chair
John Vasquez, Vice Chair

Board Member:

Harold Anderson

Jack Batchelor, Jr.

Constance Boulware

Duane Chamberlain

Sean Denny

Dilenna Harris

Mark Johannessen

Jim Provenza

Matt Rexroad

Don Saylor

Linda Seifert

Rochelle Swanson

Skip Thomson

John Vasquez

Representing:

City of Winters, Council Member

City of Dixon, Mayor

City of Rio Vista, Council Member

Yolo County Supervisor, Fifth District

City of Woodland, Council Member

City of Vacaville, Council Member

City of West Sacramento, Council Member

Yolo County Supervisor, Fourth District

Yolo County Supervisor, Third District

Yolo County Supervisor, Second District

Solano County Supervisor, Second District

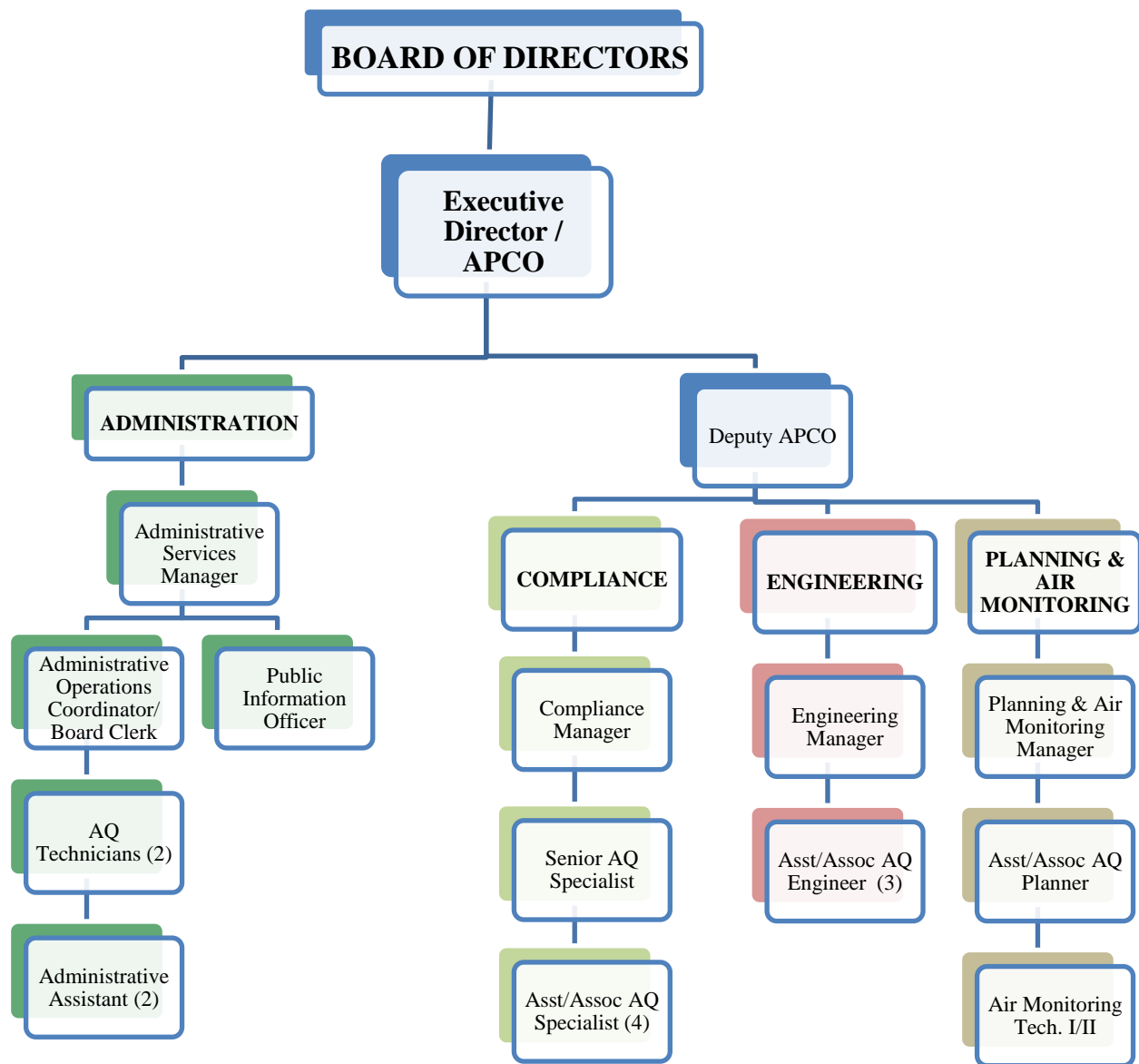
City of Davis, Council Member

Solano County Supervisor, Fifth District

Solano County Supervisor, Fourth District



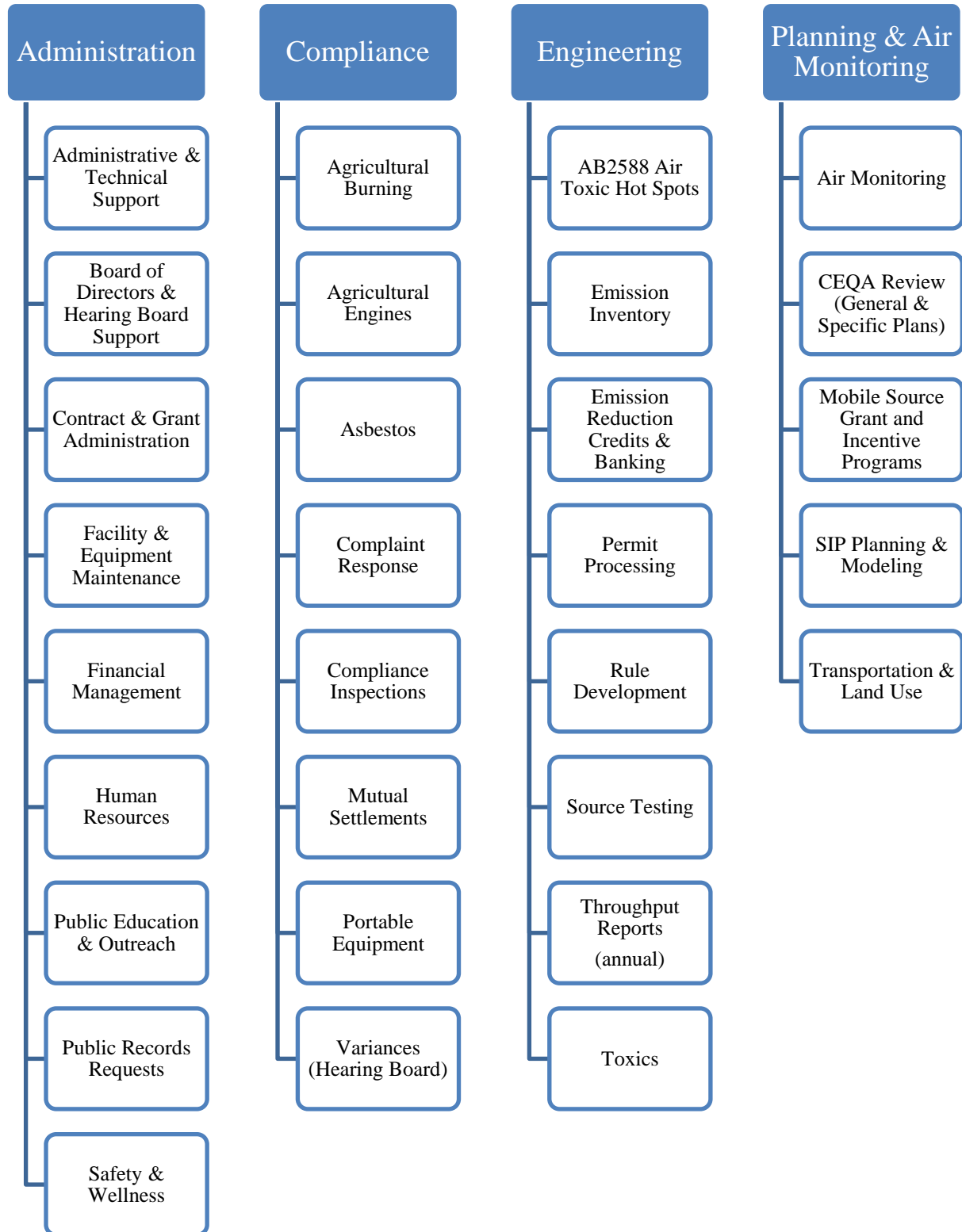
YOLO-SOLANO AIR QUALITY MANAGEMENT DISTRICT ORGANIZATION CHART



22 Full-Time Employees

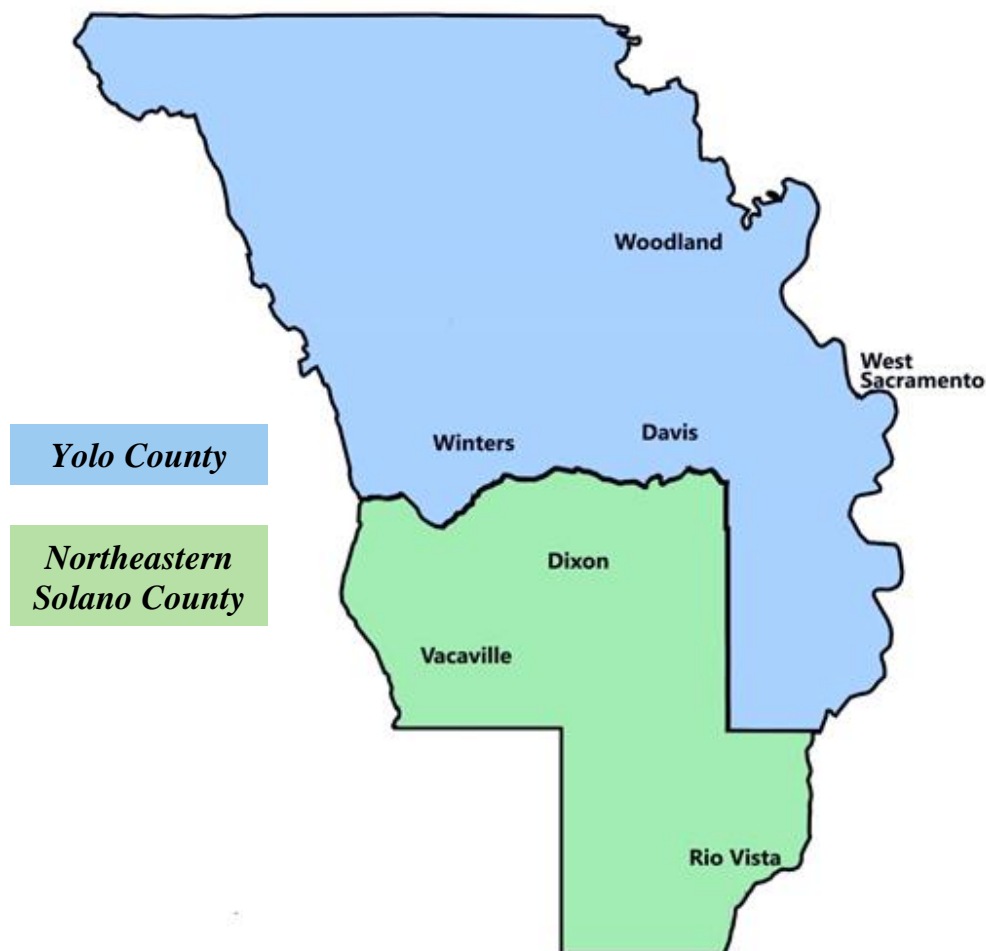
YOLO-SOLANO AIR QUALITY MANAGEMENT DISTRICT

DISTRICT DIVISIONS AND PROGRAM RESPONSIBILITIES



District Boundaries for the Yolo-Solano Air Quality Management District

The District boundaries include 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 goes easterly 3/4 of a mile south of Montezuma Hills Road to the intersection of the Sacramento River.



RECOMMENDATIONS AND SUMMARIES

District staff recommends that the Board approve the final 2015/2016 fiscal year budget for the following: General Fund (Fund 421) and restricted Mobile Source Funds (Funds 420, 422 and 423).

ACCOUNT SUMMARIES

The accounts of the District are 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. The four fund accounts are briefly outlined below.

General Fund (421): 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 works within these programs.

Mobile Source Program - Dept. of Motor Vehicle Fees under AB2766 (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 \$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 works within the mobile source program, and provides grant funding toward the District's Clean Air Funds Program.

Mobile Source Program – Dept. of Motor Vehicle Fees under AB923 (420): 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 Co. Property Tax (423): This fund account is considered restricted. All revenue received from Solano County is used to reduce mobile source emissions in Solano County through the Clean Air Funds and additional programs.

FUND BALANCE AND RESERVE SUMMARY

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 AB2766 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 General Reserves of the District's General Fund (unassigned) are \$259,146 (6% of the operating expenditures for fiscal year 2015/2016). The combined contingency reserves in the General Fund and Mobile Source AB2766 Fund is \$414,778 (10% of operating expenditures). The total reserve fund balance is at 16% of the operating budget and slightly above the target goal percentages as listed above. General Reserve, Special Programs/Projects and Equipment reserve fund balances as of June 30, 2015 are outlined in *Exhibit B*.

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 AB2766, and as well as classifications of the fund balances for fiscal year 2015/2016, 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 2015/2016 budget)

Long-term Financial Obligations

The Board requested District staff to review the possibility to continue to pay down long-term financial obligations in June 2012, which for the District includes OPEB (Other Post-Employment Benefits) and the CalPERS pension side fund. The following information is provided to outline the steps the District has taken with Board approval.

- OPEB: The Annual Required Contribution (ARC) payments toward the California Employers' Retiree Benefit Trust (CERBT) are outlined below.

<u>2012/2013</u>	<u>2013/2014</u>	<u>2014/2015</u>	<u>2015/2016*</u>
\$105,000	\$110,000	\$127,400	\$130,000

**Budgeted amount for FY 2015/2016*

Summary

- The District's ARC in June 30, 2013 was based on a 27-year amortization period. The ARC includes the pay-as-you-go costs (monthly premium payments) for retiree healthcare and the trust pre-funding.
- In 2012/2013 the District paid \$105,000 toward the ARC, and did not request a disbursement to cover the monthly premium costs for retiree health care premium. Cost savings to the future OPEB liability also occurred in 2012/2013 when the District capped health premiums employer contributions as of January 1, 2013, for active employees, therefore capping future obligation on retiree District-paid health care contributions.
- For 2013/2014 though the ARC was at \$105,000, the District paid into the trust \$110,000. We requested and received a disbursement to use toward the retiree health care costs of \$78,603.
- In 2014/2015, the District paid \$127,400 toward the ARC, with an estimated \$1,196,000 in unfunded liability per the June 30, 2013 actuarial valuation report. The District requested a disbursement from the fund to cover costs paid in 2014/2015 toward retiree health care premiums of \$89,200.
- For 2015/2016 the ARC is estimated at \$130,000 and is included in the final budget.
- A brief account summary is provided below based on the latest data from the California Employer Retirement Trust (CERBT).

CERBT Account Summary as of March 31, 2015 (June 30, 2015 not available at printing)

Yolo-Solano Air Quality Management District	
Total Contributions (Initial contribution made on 1/10/2013)	\$342,400
Total Disbursements	(\$78,603)
Total CERBT Expenses	(\$478)
Total Investment Earnings	\$32,666
Total Assets	\$295,984
Estimated Funded Ratio	21.48%
Current Asset Allocation Strategy Selection	CERBT Strategy 1
Average Annualized Internal Rate of Return	9.07%

- CalPERS Pension Side Fund: In 2003, the District became part of a CalPERS' risk pool in the pension fund. Risk pooling was set up to combine assets and liabilities across employers of the same risk pool to produce large groups that share the impact of a catastrophic demographic event.

Participation in risk pools is mandated for all rate plans with less than 100 active members. At the time of joining the risk pool, a side fund was created to account for the difference between the funded status of the pool and the funded status of each agency joining the risk pool. The side fund was credited annually based on the actuarial investment return assumption. This assumption is 7.5%. A negative side fund will cause the District's required employer contribution rate to be increased by the amortization of the side fund. In the absence of subsequent contract amendments or funding changes, the side fund will disappear at the end of the amortization period, which would have been June 30, 2022, if the District did not pay down the side fund. The payoff of the side fund is outlined below.

<u>2012/2013</u>	<u>2013/2014</u>	<u>2014/2015</u>
\$121,100	\$100,000	\$89,919

Summary

- In 2012/2013, the Board approved a payment of \$121,100 to CalPERS to use toward paying down the District's side fund of \$309,820 (as of June 30, 2013). This reduced the side fund's employer contribution rate by 1% for 11 pay periods in 2012/2013.
 - A payment to the side fund of \$100,000 was made in October 2013, which reduced the employer contribution rate starting in October 2013 by 1%.
 - For fiscal year 2014/15, the employer rate was 12.35% of payroll, and by paying off the side fund (\$89,919), the employer rate was reduced by 1% in October 2014.
- CalPERS Rate Changes: Future increases in pension costs are based on the CalPERS Board adopting new assumptions, which marks the third change in factors that impact the long-term funding of the system and will cause employer rates to increase in future years. In March 2012 CalPERS lowered its discount rate from 7.75% to 7.5% in March 2012. In 2013 CalPERS employed an amortization and smoothing policy that will pay for all gains and losses over a fixed 30-year period (instead of rolling 30-year period) with the increases or decreases in the rate spread directly over a 5-year period.

Summary

- The change in lowering the discount rate was included in the actuarial valuation report released in November 2014 which set the District's employer rates for 2015/2016 at 8.5% of payroll as it relates to Classic Members under the Public Employees' Pension Reform Act (PEPRA).
- In 2015/2016 CalPERS for the first time will collect employer contributions toward employer's unfunded liability and side fund if applicable as dollar amounts instead of a percentage of payroll. This change addresses the funding issue that would arise from the expected declining population of classic formula members. CalPERS calculated the District's unfunded liability payment for 2015/2016 at \$64,404 (if paid in monthly installments) which is 3.5% of estimated payroll. By paying a lump sum of \$62,117 to CalPERS in July 2015, the District saved \$2,287 for the fiscal year.
- Total employer contribution under the Classic Members plan for 2015/2016 is 8.5% of Classic Members' payroll. The District will also pay 3.75% of the 7.0% Classic Members Employee Paid Member Contribution, with employees paying 3.25% for fiscal year 2015/2016.
- Under PEPRA for New Members the District's employer contribution is one-half of the normal cost which for 2015/2016 is 6.25% of payroll with New Members contributing 6.25%.
- The new assumptions are based on economic and demographic assumptions including mortality rate improvements that will increase employer contribution rates in future years, and will be effective fiscal year 2016/2017 for local agencies, and 2015/2016 for the state. On February 18, 2014, CalPERS approved a five-year smoothing period with a fixed 20-year amortization. The smoothing will recognize potential gains and losses in pension assets and provide stability to contributions over the 20-year period. The estimates that CalPERS provided for miscellaneous groups 2% @55 (non-state /non-safety) are 0.4% to 1.0% for the first year, to 1% to 5% by the fifth year. CalPERS' actuarial valuation reports for 2016/2017 will be available in the fall of 2015.
- It is also important to note that CalPERS assumes that there will be no future contract amendments and no gains or losses which affects the District's plan, such as a larger than

expected pay increase or more retirements than expected. This is an important assumption because if these gains and losses do occur they can have a significant impact on the employer contribution.

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

General Fund

- The District recommended a cost recovery fee adjustment of 1.9% that affects the Stationary Source Program fees. The fee adjustment is based on the California Consumer Price Index (CPI) April-to-April prior years (2013 to 2014) under the Proposed Budget and it was approved by the Board on June 10, 2015, effective July 1, 2015.
- Cost Recovery in the Stationary Source Program:
 - We are projecting a cost recovery of 87% for the 2015/2016 program. In determining the cost recovery, we have taken the percentage of employees working within the framework of the stationary source program, projected the revenue and the employee percentages, and then compared the projected expenditures using the percentage of the employees working within the program.
 - The cost recovery for fiscal year ending June 30, 2015 is at 98% for the stationary source program. Charts outlining the cost recovery in the General Fund for the proposed budget for 2015/2016 and projected year-end for 2014/2015 are shown in the *Appendix*.
- Source Tests 82-2611 decrease of \$22,250 or 22% from 2014/2015 is based on actual source testing requirements of permitted sources based on permit conditions.
- Air Toxics Hot Spots 82-2604 increase of \$50,600 or 538% from 2014/2015 to 2015/2016. Due to the state updating the risk assessment guidelines the District will be reevaluating all facilities that are subject to AB2588. With those reevaluations, a number of companies will be charged fees as “unprioritized” facilities until their facility risk is determined. In addition, District staff is beginning the rule development process to amend Rule 4.9 in order to adopt fees in a few categories (that are currently missing) as well as increase fees in other categories. About a third of the projected revenue will be paid to the ARB in accordance with state law.
- Agricultural Engine Registrations 82-2612 is projected to increase based on the number of current engines. However, engine costs and the drought could affect the projected increase of 27% or \$17,150.
- The Portable Equipment Registration Program (PERP) 82-5500 increase of 32% or \$24,000 is based on the number of renewals and new applications for 2015/2016 according to ARB’s PERP database. This is a pass-thru program from the ARB to participating air districts.
- Mutual Settlement Program 82-3300 has decreased in 2015/2016 from 2014/2015 by 30% or \$50,000 based on the amount of revenue we received in 2014/2015.
- The fund balance available is estimated at \$539,764 and is due to extra revenue and expenditure savings at year-end 2014/2015 as outlined below. The fund balance will move forward to 2015/2016 as cash available.

Extra Projected Revenue in 2014/2015

- Stationary Source \$41,426
- Administrative/Intrafund \$34,681

Estimated Unspent Expenditures in 2014/2015

- Salaries and Benefits \$233,064
- Services/Supplies \$ 44,679
- Contingency \$200,113

Mobile Source (DMV) AB2766 and AB923

- Revenue received from the DMV under AB2766 and AB923 is projected at a 2% increase for 2015/2016 compared to 2014/2015 in both funds. This is based on the last two years of revenue received from the DMV.
- The fund balance available under AB2766 is estimated at \$204,138 and is due to extra revenue and expenditure savings at year-end 2014/2015 as outlined below. The fund balance will move forward to 2015/2016 as cash available.

Extra Projected Revenue in 2014/2015

- State DMV Revenue \$31,467

Estimated Unspent Expenditures in 2014/2015

- Salaries and Benefits \$ 45,170
- Contingency \$128,179

- The fund balance available under AB923 is at estimated at \$1,961,087 is due to extra revenue and expenditure savings at year-end 2014/2015 as outlined below. The fund balance will move forward to 2015/2016 as cash available, and will be used toward future Board-approved programs.

Extra Projected Revenue in 2014/2015

- State DMV Revenue \$11,959

Estimated Unspent Expenditures in 2014/2015

- Grant Program \$1,217,905
- Contingency \$ 653,468

Solano County Property Tax

- We are projecting to receive \$220,000 in 2015/2016 in Solano County property tax proceeds, which is the same projection as 2014/2015.
- Under the Redevelopment Agencies (RDA) Pass-thru funds we are projecting to receive \$25,000 in 2015/2016.
- The fund balance available is estimated at \$504,116 and will be used to fund grant projects and other expenses in 2015/2016, and to maintain a contingency reserve. Contingency reserve and revenue received this year are released in future years with Board approval.

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

General and Mobile Source (DMV) Funds

- There is an overall combined decrease of 1% or \$16,210 in the General Fund and Mobile Source DMV AB2766 funds Salaries and Benefits. Recommendations approved by the Board on June 10, 2015 are outlined in *Exhibit A: Personnel*. A brief summary is listed below.
 - Regular Employees – General and Mobile Source AB2766 Funds (86-1101) Cost-of-living-adjustment (COLA) of 1.9% and an equity adjustment of 2%.
 - Extra-help – General Fund (86-1102) is a request for an extra-help clerical worker at a cost of up to \$10,000. This employee will assist Administration in extra workload related to scanning/imaging of documents, outgoing mail and miscellaneous work of up to three hours five days per week.
 - OPEB – General and Mobile Source AB2766 Funds (86-1301) includes payment into the OPEB trust of \$130,000, which is split between the General and Mobile Source AB2766 Funds at a

- 70/30 split based on full time employees (FTE) working within the programs.
- Other Miscellaneous Benefits (86-1600) shows an increase based on an estimated 7% increase in health care premiums. This account is the District's deferred compensation match at \$80 per month per participating employee; cafeteria benefit dollars projected for a full-year; transportation and sick leave incentives; and opt-out of medical insurance payments. Also, includes payments to the District's third-party payroll provider.
- We continue to maintain program costs at previous levels in all non-essential areas. We have noted special programs/projects and/or significant increases or special programs below by fund.

General Fund

(Services and Supplies shows an 14% or \$79,470 increase from 2014/2015 to 2015/2016)

- Information Services (86-2422) - requesting to update/upgrade the District's website for a total cost of approximately \$30,000, which would include \$5,000 from the General Fund.
- Professional and Specialized Services (86-2429):
 - UCD Internship Program - \$25,000 (3 interns)
 - Air Toxic Hot Spots AB2588 - \$21,000 (Pass thru funds to the California Air Resources Board (ARB) as AB2588 is a mandated state program in which the District collects fees on behalf of the ARB)
 - Basin Control Council (BCC) - \$11,000 (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 - \$6,500 (\$13,000 contract is split evenly with the Mobile Source DMV AB2766 fund)
 - Database Enhancement Project - \$10,000 (This continues our efforts to streamline operations, which includes further enhancement of the existing database)
- Small Tools & Minor Equipment (86-2520) - increase is due to purchasing up to nine (9) personal computers as part of the 4-year replacement rotation, external back up drivers, miscellaneous cubicle reconfiguration due to ergonomics (air monitoring work station and 4-stations in the compliance division) and desk top risers for standup stations for up to 5 employees.

(Equipment 36% or \$16,000 shows an increase from 2014/2015 to 2015/2016)

- Equipment (86-4300): Recommended in the 2015/2016 budget is replacement of two fleet vehicles with over 120,000 miles on both for approximately \$30,000 each for either a hybrid or electric. We are requesting \$30,000 to be transferred from Solano County Property Tax restricted fund to assist in the costs of acquiring a low- or zero-emission vehicle.

(Contingency 41% or \$82,847 shows an increase from 2014/2015 to 2015/2016)

- Contingency (86-1999): The General Fund's contingency is at \$282,960 for 2015/2016. This is unassigned cash for use in 2015/2016 with Board approval. Contingency in the General Fund is 10% of the General Fund's operating expenditures for 2015/2016.

Mobile Source DMV AB2766

(Services and Supplies shows a 5% or \$17,040 decrease from 2014/2015 to 2015/2016)

- Information Services (86-2422) has increased due to the request to update/upgrade the District's website for a total cost of approximately \$30,000, which would include \$15,000 from the Solano County Property Tax Fund.
- Professional and Specialized Services (86-2429):
 - Regional Spare the Air Program - \$11,500 (Local match for the regional curtailment and health notification program managed by the Sacramento Metropolitan Air Quality Management District)
 - Database Enhancement Project - \$30,000 (This continues our efforts to streamline operations, which includes further enhancement of the existing database)

- PM 2.5 Wintertime Forecasting: \$6,500 (\$13,000 contract is split 50/50 with the General Fund)
- Small Tools & Minor Equipment (86-2520) shows an increase based on purchasing up to nine (9) personal computers as part of the 4-year replacement rotation and miscellaneous cubicle work to update the air monitoring work station; and also purchasing several standup risers for work surfaces for ergonomic reasons.
- AB2766 Clean Air Funds (86-3200) has \$100,000 allocated toward the 2015 program.

(Contingency shows a decrease of 5% or \$6,361 from 2014/2015 to 2015/2016)

- Contingency (86-9900) under the DMV AB2766 Fund's is at \$131,818. This is unassigned cash for use in 2015/2016 with Board approval. Contingency in the AB2766 fund is 13% of the operating expenditures in this fund for 2015/2016.

Mobile Source DMV AB923

- AB923 Program (86-3200) has approximately \$1,800,000 in grant funding available in 2015/2016, which is a 38% or \$500,000 increase from the budgeted 2014/2015 amount.
- On July 8, 2015, by Minute Order No. 15-15.D. the Board approved using cash from Fund 420 (DMV AB923) to offset costs to the Fund 421 (General) and Fund 422 (DMV AB2766) to ensure the District has the cash flow to make both the lump sum payment to CalPERS toward the Unfunded Accrued Liability for 2015/2016 of \$62,117 and the OPEB payment to CalPERS of \$130,000. The cash if used will be paid back by mid-year to Fund 420 and will only be used if needed.

Solano County Property Tax

- Clean Air Funds (86-3102) has approximately \$300,000 available for the 2015/2016 program, which is a 25% or \$100,000 decrease from 2014/2015.
- Intrafund Transfer to the General Fund (86-2420) includes a 10% administrative fee, the District requested under the proposed budget to transfer an additional \$40,000 to fund one (1) communications intern during the UCD school year, \$10,000 to assist mobile source emission reduction outreach, and also to purchase and/or lease one hybrid and/or plug-in electric vehicle to replace a District vehicle for \$30,000.
- Public Education Outreach (86-2422, 82-2460 and 86-2559) includes \$19,250 for fiscal year 2015/2016 to increase the District's efforts to promote the Spare the Air Program (ozone) and Clean Transportation or other programs related to the reduction of mobile source emissions.

ACCOMPLISHMENTS FOR 2014/2015 AND GOALS FOR 2015/2016

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

Goals for 2014/2015

Administration - General:

- Finalize an agreement with Yolo County of how the District is charged for services rendered by the county.
- Update the District job descriptions to ensure they are compliant with current laws.
- Update personnel policy to ensure it meets requirements to cover future law revisions and/or updates.
- Continue work toward a paperless retention of District records under established retention protocols.

Administration -

Public Outreach and Education:

- Continue to build awareness of air quality issues, focusing on the health impacts of air pollution.
- Build awareness and use of air quality forecasts and real-time alerts specifically among educators, including preschools and day care centers. Focus on health risks to children and guidelines for outdoor play or exercise.
- Build momentum on Yolo-Solano Go Clean project. Continue to develop website and social media content, employ community-based social marketing techniques and develop events, programs and campaigns to improve awareness of clean transportation options.

Accomplishments for 2014/2015

Administration - General:

- Staff met with the Board's Budget and Audit Committee and draft notice is being reviewed by Executive Director, with plans to meet with the Yolo County.
- Updated three (3) classifications in 2014/2015 with plans to finish in 2015/2016.
- Draft response from legal counsel is being reviewed by the District.
- District administration division has successfully scanned all stationary source permit files into the paperless system, which now has approximately 47,300 permit records. Protocols were established for other record applications, and we now scan and purge all inspection reports, renewal permits, and invoices.

Administration -

Public Outreach and Education:

- Continued to use multiple outreach methods to educate the public about the health impacts of air pollution.
- The EnviroFlash subscriber base continued to grow in 2014/2015. This program ensures the community is aware of air quality conditions on any given day. We also established our Emergency Event Response Manual, which has a public awareness focus.
- A Bicycle-Friendly Business campaign was established under the Go Clean program and we pursued community-based social marketing techniques to expand mobile source emission awareness.

Administration Division (Continued)

Goals for 2014/2015

Administration -

Public Outreach and Education:

- Continue to produce existing District outreach and education programs such as the Clean Air Calendar, Clean Air Classroom Grants program, the annual report and the Don't Light Tonight program.

Accomplishments for 2014/2015

Administration -

Public Outreach and Education:

- Continued and improved existing District outreach and education programs.

Goals for 2015/2016

Administration - General:

- Complete the update of the District job descriptions to ensure they are compliant with current laws.
- Finish the update of the District Personnel Policy to ensure it meets requirements to cover future law revisions and/or updates.
- Continue work toward a paperless retention of District records under established retention protocols.

Administration - Public Outreach and Education:

- Continue to build community awareness of the health impacts of air pollution and the public's role in protecting air quality.
- Redesign the District website to boost its usefulness to the public and ensure that staff can update the site easily and frequently.
- Build awareness of the District's incentive programs, including the Clean Air Funds and the Clean Agricultural Equipment and Municipal Fleet program.

Compliance Division: Responsible for the compliance of the District rules and regulations, which include: agricultural burning enforcement; inspection of permitted sources; asbestos demolition and renovation program; agricultural engine registration program which includes inspecting, issuing registrations and enforcement; verifying compliance with equipment operating under the statewide Portable Equipment Registration Program (PERP); and investigation of air quality and nuisance complaints.

Goals for 2014/2015

- 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.

Accomplishments for 2014/2015

- As of April 30 the Compliance Division has performed 1,114 ongoing annual inspections, 212 more (a 23% increase) compared to 2013/2014. There are currently 46 overdue inspections, of which 17 are over 30 days.

Compliance Division (Continued)

Goals for 2014/2015

- Complete the project of catching up on overdue ag engines inspections, with the goal to inspect engines every 36 months.
- Complete the project of catching up on overdue PERP (portable equipment registration program) inspections, with a goal to inspect engines every 36 months.
- 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.

Accomplishments for 2014/2015

- As of April 30 there have been 111 ag engines inspected this fiscal year. The Air Quality Technicians have been trained to conduct ag engine inspections. Currently there are 131 overdue ag engine inspections.
- As of April 30 the Compliance division has conducted 329 PERP inspections, a significant portion of the overdue inspections. There are currently 305 PERP inspections to be completed by December 31, 2015.
- District has settled 66 NOVs so far this fiscal year, and 95% were settled in less than 270 days. There are currently 69 in-process NOVs, of which two are over 270 days.

Goals for 2015/2016

- 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.
- Complete the project of catching up on overdue ag engine inspections, with the goal to inspect engines every 36 months.
- Complete the project of catching up on overdue PERP (portable equipment registration program) inspections, with a goal to inspect engines every 36 months.
- 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.
- Inspect at least 10% of asbestos renovations and demolitions that submit notification to the District.

Engineering Division: Review of new and modified stationary sources for compliance with rules and regulations of the District; rule development; emission inventory; implementation of the state mandated air toxics "hot spots" program; emission reduction credits and banking, and review of permits for toxic impact.

Goals for 2014/2015

- Continue to process all applications in a timely fashion.

Accomplishments for 2014/2015

- 85% of ATC and 90% of PTO applications were processed within the specified time frames.

Engineering Division (Continued)

Goals for 2014/2015

- Finish project to capture unclaimed emission reductions for the priority reserve and conduct rule development to amend Rule 3.6 in accordance with guidance from the Board.
- Continue to promulgate rules in accordance with established priorities, with specific attention to the adoption of rules 2.34, 2.22 and 3.8 in fiscal year 2014/2015.
- Continue to improve the District's AB2588 Air Toxics Hot Spots Program.
- Continue to update existing permits in a timely manner after rule amendments or adoptions, with particular attention to the requirements of NESHAP Subpart ZZZZ for compression-ignited IC engines.

Accomplishments for 2014/2015

- Procedure and template documents for priority reserve banking have been approved. A spreadsheet of cancelled permits for evaluation has been developed and staff has begun evaluating cancelled permits from the spreadsheet.
- Rule 2.34 and 2.22 have been adopted and submitted to ARB for inclusion in the SIP. Rule 3.8 was also amended and has been submitted to EPA for program approval.
- Staff has continued reviewing facilities subject to the AB2588 program in order to ensure the facilities are correctly prioritized and properly documented.
- Staff is preparing conditions and guidance documents that will be used in updating permits and registrations for stationary engines. Staff also, has finished revising automotive coating operation permits and is working on metal and wood products coating operation permits for updates to relevant rules and NESHAP Subpart HHHHHH.

Goals for 2015/2016

- Continue to process all applications in a timely fashion.
- Continue processing unclaimed emission reductions for the priority reserve and begin rule development to amend Rule 3.6 in accordance with guidance from the Board.
- Continue to promulgate rules in accordance with established priorities, specifically including amendments to the Asbestos Rule and Asbestos Fee Rule.
- Restart the District's AB2588 program in full accordance with the program requirements and the new risk assessment guidelines promulgated by the Office of Environmental Health Hazard Assessment on March 6, 2015.
- Continue to update existing permits in a timely manner after rule amendments or adoptions, specifically including NESHAP Subpart ZZZZ for compression-ignited IC engines.
- Assist with Ag Engine Registration program, specifically including updates to existing registrations that expired on December 31, 2014.
- Finalize or adopt specified policies to regulate the way the section addresses portable analyzer monitoring, risk management and health risk assessments, and allowable deviations from the construction authorization that will not require a new ATC.

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 jurisdictions' 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 2014/2015

Planning:

- Review and update the District's CEQA Handbook for use by lead agencies and project applicants. Bring all proposed revisions to the District Board for approval.
- Review all new EPA Control Technology Guidelines to determine if District regulations are consistent with reasonably available control technology criteria.
- Work with ARB staff to review and prepare spatial surrogates and day-specific data for use in ozone modeling efforts for the new federal 8-hour ozone standard.
- Identify all new potential sources of incentive funding that can be leveraged to assist with compliance with the provisions of the State Truck and Bus Regulation and communicate these options to the District's trucking community.

Air Monitoring:

- Develop new, streamlined procedure for submitting quarterly ozone data to the Air Resources Board that satisfies all new ARB guidance.

Accomplishments for 2014/2015

Planning:

- Handbook has been internally reviewed and updated. An updated version of the handbook will be brought to the Board for approval once new thresholds for greenhouse gases are finalized and incorporated.
- All Control Technology Guidelines have been reviewed and compared to existing District regulations. This analysis is currently undergoing internal review.
- All spatial surrogates have been prepared and reviewed for 8-hour ozone modeling.
- District staff has worked closely with the trucking community to explain existing State regulations and compliance options. District staff has also worked with members of the trucking community to direct them to sources of incentive funding, where available.

Air Monitoring:

- A procedure satisfying all ARB requirements was developed and implemented. All quarterly ozone data through the last quarter of 2014 has been successfully submitted.

Goals for 2015/2016

Planning:

- Conduct an all feasible measure analysis to be included in the regional plan for attainment of the 2008 federal ozone standard.
- Work with the District's agricultural community to identify and fund equipment replacement projects using AB 923 funds in order to obtain surplus emission reductions.
- Coordinate with lead agencies in the District on consistent preparation of climate change impact analysis to fulfill the requirements of the CEQA Guidelines.
- Complete internal procedures for all functions of the Planning and Air Monitoring section.
- Develop a draft cost-recovery rule for CEQA review work performed by District staff.

Planning and Air Monitoring Division (Continued)

Goals for 2015/2016

Air Monitoring:

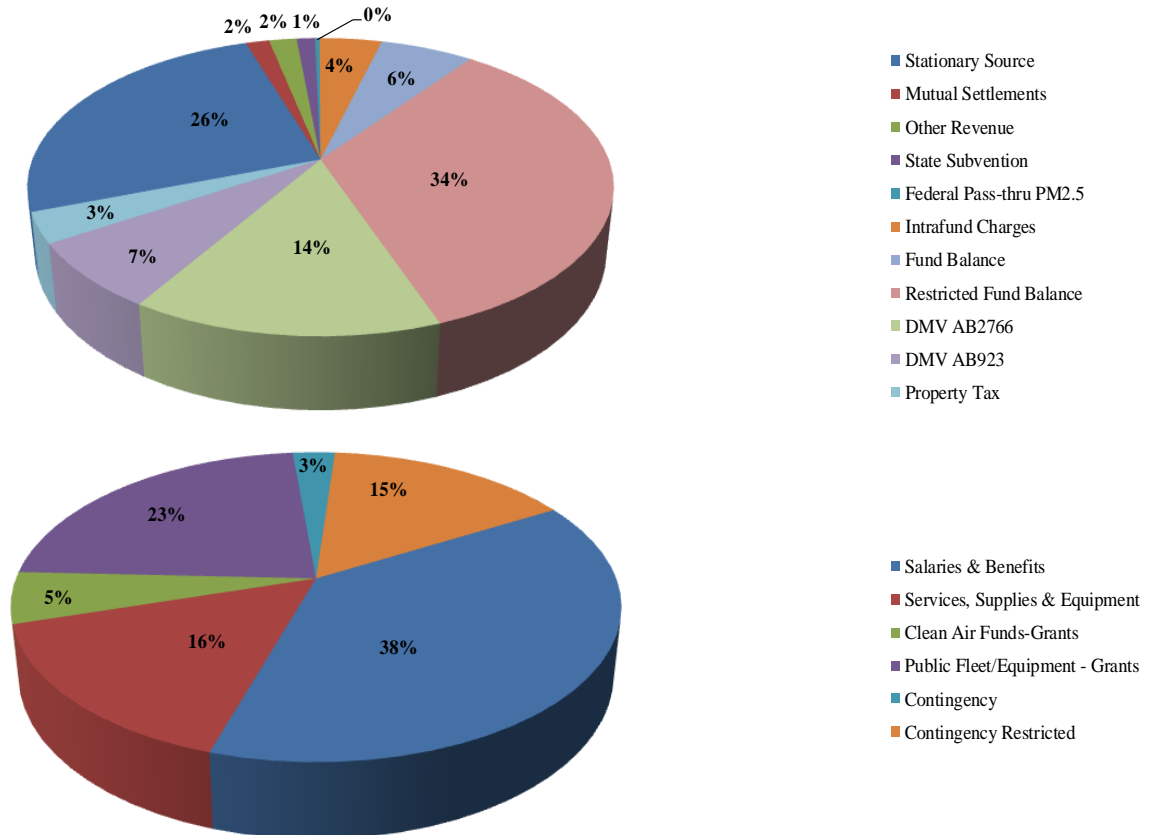
- Finalize all corrective actions in response to the Air Resources Board Technical System Audit. Present the findings of the final Audit report to the District Board.

Consolidated Revenue and Expenditure Summary



Yolo-Solano Air Quality Management District Final Budget for FY 2015/2016 Consolidated Revenue and Expenditure Summary

Available \$7,675,616



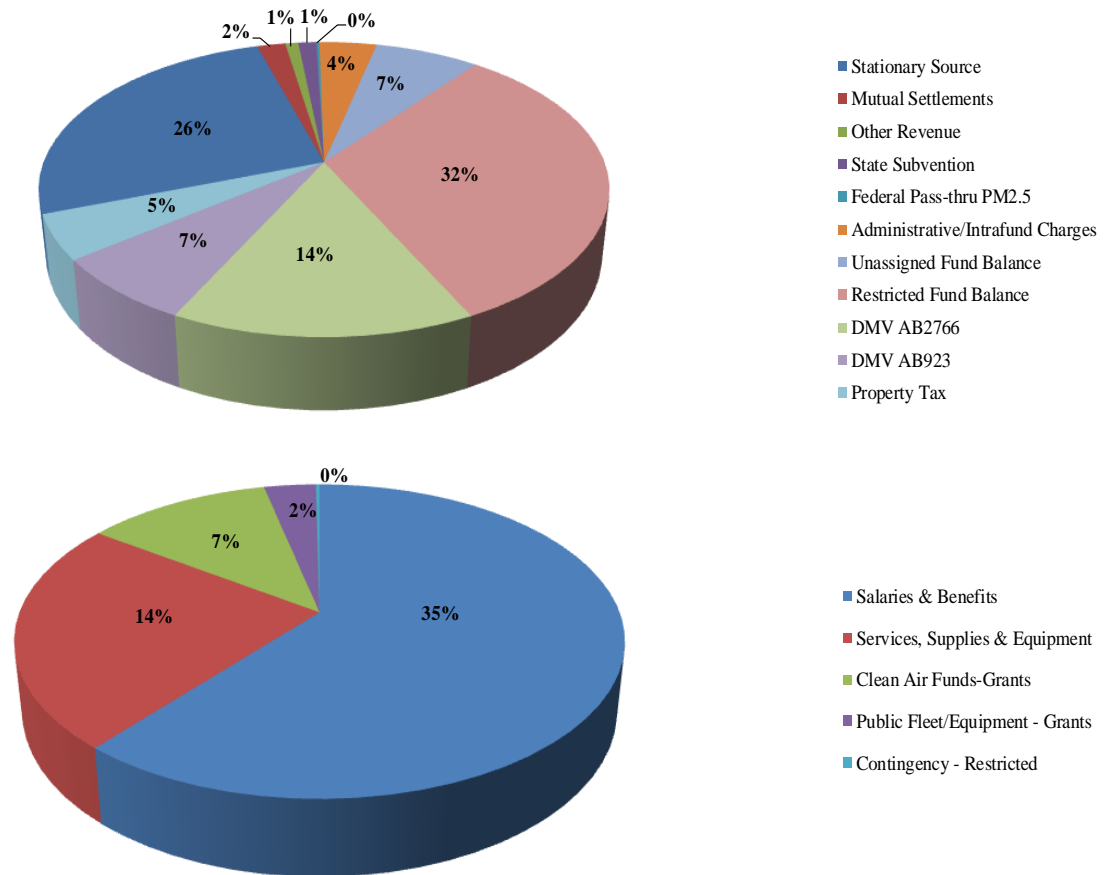
Total Operating Budget is \$4,322,913 with \$3,352,703 restricted for use either for grants and/or contingency. The District also has a General Reserve of \$259,146 which is 6% of the operating budget and within the Board approved goal of 5%-15% reserves.

Detail for Consolidated Final Budget FY 2015/2016

<i>Revenue</i>			<i>Expenditures</i>		
Stationary Source	25%	\$1,906,358	Salaries & Benefits	37%	\$2,846,840
Mutual Settlements	1%	\$115,000	Services, Supplies & Equipment	16%	\$1,247,020
Other Revenue	2%	\$137,750	Clean Air Funds-Grants	5%	\$400,000
State Subvention	1%	\$90,000	Public Fleet/Equipment - Grants	23%	\$1,800,000
Federal Pass-thru PM2.5	0%	\$23,000	Contingency	4%	\$282,960
Intrafund Charges	4%	\$305,475	Contingency Restricted	14%	\$1,098,796
Fund Balance	7%	\$567,692			
Restricted Fund Balance	35%	\$2,669,341			
DMV AB2766	14%	\$1,076,500			
DMV AB923	7%	\$539,500			
Property Tax	3%	\$245,000			
	100%	\$7,675,616		100%	\$7,675,616



**Yolo-Solano Air Quality Management District
Projected Year End for FY 2014/2015
Consolidated Revenue and Expenditure Summary**



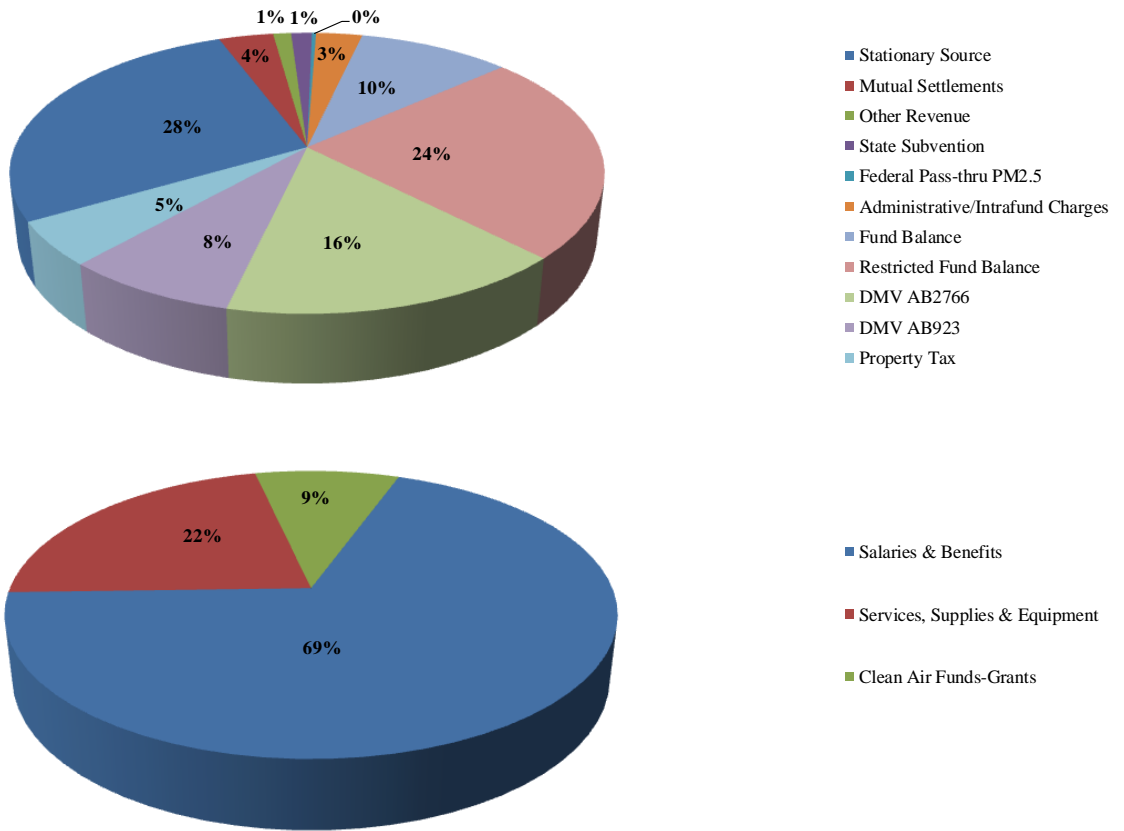
A small amount of contingency was used per Board approval to offset the increase costs for the District's database enhancement project (\$10,000 of the restricted DMV AB2766 Fund). The large restricted fund balance is due to AB923's fund balance of \$1.961M.

Detail for Consolidated Projected Year End Budget FY 2014/2015

<i>Revenue</i>			<i>Expenditures</i>		
Stationary Source	25%	\$1,912,834	Salaries & Benefits	34%	\$2,584,816
Mutual Settlements	2%	\$144,904	Services, Supplies & Equipment	13%	\$1,004,797
Other Revenue	1%	\$75,492	Clean Air Funds-Grants	7%	\$505,200
State Subvention	1%	\$89,455	Public Fleet/Equipment - Grants	1%	\$82,095
Federal Pass-thru PM2.5	0%	\$14,500	Contingency - Restricted	0%	\$10,000
Administrative/Intrafund Charges	4%	\$300,101			
Unassigned Fund Balance	7%	\$515,157			
Restricted Fund Balance	31%	\$2,346,092			
DMV AB2766	14%	\$1,086,917			
DMV AB923	7%	\$540,959			
Property Tax	5%	\$369,602			
	96%	\$7,396,013		58%	\$4,186,908



**Yolo-Solano Air Quality Management District
Actuals for Budget FY 2013/2014
Consolidated Revenue and Expenditure Summary**



Clean Air Fund grants paid under restricted revenue totaled \$350,000. The District didn't release any restricted funding under the Public Fleet/Equipment - Grant Program in 2013/2014. Contingency reserves were not used in the General or Restricted Funds.

Detail for Consolidated Actuals for Budget FY 2013/2014

Revenue

Stationary Source	28%	\$1,829,476
Mutual Settlements	4%	\$235,084
Other Revenue	1%	\$77,425
State Subvention	1%	\$89,710
Federal Pass-thru PM2.5	0%	\$17,909
Administrative/Intrafund Charges	3%	\$198,761
Fund Balance	10%	\$656,277
Restricted Fund Balance	24%	\$1,600,267
DMV AB2766	16%	\$1,062,510
DMV AB923	8%	\$531,719
Property Tax	5%	\$333,088
	100%	\$6,632,226

Expenditures

Salaries & Benefits	69%	\$2,659,696
Services, Supplies & Equipment	22%	\$845,474
Clean Air Funds-Grants	9%	\$350,000
Public Fleet/Equipment - Grants	0%	\$0
Contingency	0%	\$0
Contingency Restricted	0%	\$0
	100%	\$3,855,170



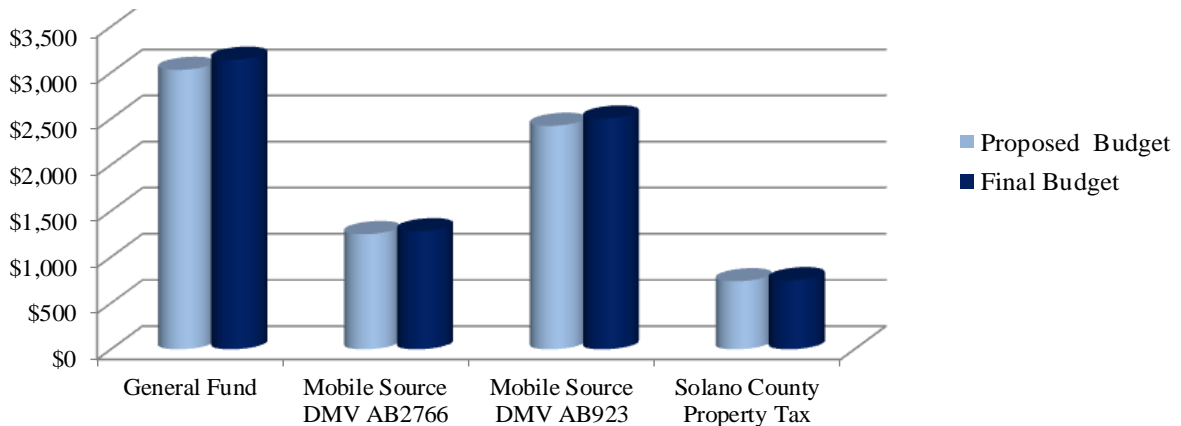
YOLO-SOLANO AIR QUALITY MANAGEMENT DISTRICT REVENUE AND EXPENDITURE SUMMARY FINAL BUDGET FISCAL YEAR 2015/2016

DESCRIPTION	FY 14/15 Approved	FY 15/16 Recommended	Increase / (Decrease)	Variance %
General Fund 421	\$2,987,118	\$3,142,025	\$154,907	5%
Mobile Source Program (DMV AB2766) Fund 422	\$1,302,289	\$1,280,888	(\$21,401)	-2%
Mobile Source Program (DMV AB923) Fund 420 ¹	\$1,979,918	\$2,503,587	\$523,669	26%
Solano Co. Property Tax Fund 423 ²	\$814,631	\$749,116	(\$65,515)	-8%
TOTAL REVENUES³	\$7,083,956	\$7,675,616	\$591,660	8%
Salaries/Benefits	\$2,863,050	\$2,846,840	(\$16,210)	-1%
Services/Supplies	\$994,815	\$1,187,020	\$192,205	19%
Equipment	\$44,000	\$60,000	\$16,000	36%
Clean Air Funds Grant Program (DMV AB2766)	\$105,200	\$100,000	(\$5,200)	-5%
Ag Equipment & Public Fleet Grant Program (DMV AB923)	\$1,300,000	\$1,800,000	\$500,000	38%
Clean Air Funds Grant Program (Solano Co. Property Tax)	\$400,000	\$300,000	(\$100,000)	-25%
Contingency	\$1,376,891	\$1,381,756	\$4,865	0%
TOTAL EXPENDITURES	\$7,083,956	\$7,675,616	\$591,660	8%

¹The increase in AB923 revenue is directly related to the available grant funds in 2014/2015 not being expended (approximately \$1.217M moves to fund balance available in 2015/2016); ²The reduction in Solano Co. Property Tax fund is related to a larger than normal fund balance moving into 2014/2015 from unexpected RDA pass-thru, which allowed the CAF grant program to increase from \$250K in 2013/2014 to \$400K in 2014/2015; and ³Total Revenues shown includes the fund balance available in each fund. This is cash that is moving forward to the new fiscal year and is available for use. The fund balance of each Fund is shown under the detailed summaries that follow.

- Total Operating Expenditures is \$4,322,913 of the total budget of \$7,675,616-

Budget Summary - Reflects Changes from Proposed Budget 15/16 to Final Budget FY 15/16
(shown in thousands of dollars)



RESERVES SUMMARY	FY 14/15 Year-End Balance	FY 15/16 Anticipated	FY 15/16 Recommended Expenditures	FY 15/16 Projected Balance
GENERAL FUND				
RESERVES				
Assigned Reserves (Equip. Replacement/Special Projects) ¹	\$27,928	\$0	\$27,928	\$0
Unassigned Reserves-General ²	\$259,146	\$0	\$0	\$259,146

¹ Assigned Reserves: Equipment replacement and/or special projects. Recommending moving total amount to operating budget.

² Unassigned Fund Balance: General Reserves - Fund 421



**YOLO-SOLANO AIR QUALITY MANAGEMENT DISTRICT
GENERAL FUND - REVENUE DETAIL
FINAL BUDGET FISCAL YEAR 2015/2016**

DESCRIPTION	Account No.	Approved Revenue FY 14/15	Projected Revenue FY 15/16	Variance Increase / (Decrease)	Variance %
STATIONARY SOURCE PROGRAM					
Renewal Permits	82-2600	\$1,400,000	\$1,420,900	\$20,900	1%
New Permits	82-2601	\$152,500	\$147,650	(\$4,850)	-3%
Source Testing	82-2611	\$102,250	\$80,000	(\$22,250)	-22%
Agricultural Engine Registrations	82-2612	\$63,500	\$80,650	\$17,150	27%
Portable Equipment Registration - State ARB	82-5500	\$76,000	\$100,000	\$24,000	32%
EPA 105 Pilot Program (Federal Revenue)	82-5670	\$77,158	\$77,158	\$0	0%
SUBTOTAL		\$1,871,408	\$1,906,358	\$34,950	2%
Fees/Air Toxics State Program	82-2604	\$9,400	\$60,000	\$50,600	538%
Agricultural Burning Program	82-2606	\$23,100	\$21,000	(\$2,100)	-9%
Asbestos Program	82-2607	\$18,500	\$40,000	\$21,500	116%
SUBTOTAL		\$51,000	\$121,000	\$70,000	137%
Mutual Settlement Program	82-3300	\$165,000	\$115,000	(\$50,000)	-30%
Interest Earned (includes 82-4100 & 4199)	82-41XX	\$4,000	\$2,500	(\$1,500)	-38%
Air Resources Board Subvention (State Revenue)	82-5490	\$90,000	\$90,000	\$0	0%
Miscellaneous Revenue (State Revenue)	82-5500	\$0	\$0	\$0	0%
EPA 103 PM2.5 grant (Federal Revenue)	82-5670	\$14,342	\$23,000	\$8,658	60%
Administrative/Intrafund Transfers	82-6390	\$265,420	\$305,475	\$40,055	15%
Penalty Assessments	82-6399	\$10,000	\$10,000	\$0	0%
Other-Revenue	82-7700	\$1,000	\$1,000	\$0	0%
Stale Date Warrants	82-7705	\$0	\$0	\$0	0%
Sale of Fixed Assets	82-8100	\$0	\$0	\$0	0%
SUBTOTAL		\$549,762	\$546,975	(\$2,787)	-1%
TOTALS		\$2,472,170	\$2,574,333	\$102,163	4%
FUND BALANCE AVAILABLE		\$514,948	\$539,764	\$24,816	5%
Transfer to Operating Budget (Restricted Reserves)		\$0	\$27,928	\$27,928	100%
FUND 421 - TOTAL FINANCING AVAILABLE		\$2,987,118	\$3,142,025	\$154,907	5%



YOLO-SOLANO AIR QUALITY MANAGEMENT DISTRICT
GENERAL FUND - EXPENDITURE DETAIL
FINAL BUDGET FISCAL YEAR 2015/2016

Account Name	Account No.	Approved Expenditures FY 14/15	Projected Expenditures FY 15/16	Variance Increase / (Decrease)	Variance %
Regular Employees	86-1101	\$1,361,000	\$1,392,850	\$31,850	2%
Extra-Help	86-1102	\$9,100	\$7,950	(\$1,150)	-13%
Overtime (includes expedite program)	86-1103	\$14,500	\$15,500	\$1,000	7%
Vacation/Payroll Buyback (or payout)	86-1107	\$13,000	\$14,500	\$1,500	12%
Retirement	86-1201	\$290,000	\$201,200	(\$88,800)	-31%
Medicare and Social Security Tax	86-1203	\$19,400	\$21,260	\$1,860	10%
Employee Group Insurance	86-1300	\$280,000	\$285,900	\$5,900	2%
OPEB (health pay-as-you-go & trust fund)	86-1301	\$89,200	\$105,790	\$16,590	19%
Unemployment Insurance	86-1400	\$6,700	\$6,400	(\$300)	-4%
Workers Compensation Insurance	86-1500	\$11,270	\$11,810	\$540	5%
Other Miscellaneous Benefits	86-1600	\$82,000	\$89,600	\$7,600	9%
FUND 421 - SALARY & BENEFIT TOTALS		\$2,176,170	\$2,152,760	(\$23,410)	-1%
Clothing and Personal Supplies	86-2050	\$2,500	\$2,500	\$0	0%
Communications	86-2090	\$19,000	\$18,800	(\$200)	-1%
Food	86-2130	\$1,000	\$1,000	\$0	0%
Household Expense	86-2170	\$2,000	\$2,000	\$0	0%
Household Expense-Contracts	86-2171	\$16,520	\$16,640	\$120	1%
Insurance-Public Liability	86-2202	\$14,300	\$15,950	\$1,650	12%
Maint-Equipment	86-2271	\$23,300	\$18,700	(\$4,600)	-20%
Maint-Bldgs & Improv	86-2272	\$925	\$925	\$0	0%
Medical, Dental & Lab Supplies	86-2300	\$400	\$400	\$0	0%
Memberships	86-2330	\$6,100	\$6,100	\$0	0%
Miscellaneous Expense	86-2360	\$1,400	\$1,400	\$0	0%
Office Expense	86-2390	\$12,200	\$12,200	\$0	0%
Office Expense-Postage	86-2391	\$9,000	\$9,000	\$0	0%
Office Expense-Printing	86-2392	\$8,100	\$7,100	(\$1,000)	-12%
Indirect/Overhead A-87 Costs-JPA with Yolo Co.	86-2420	\$15,000	\$18,000	\$3,000	20%
Auditing and Fiscal Services	86-2421	\$30,300	\$37,500	\$7,200	24%
Information Services	86-2422	\$48,000	\$55,200	\$7,200	15%
Legal Services (County Counsel)	86-2423	\$44,000	\$44,000	\$0	0%
Medical Services	86-2425	\$1,220	\$1,220	\$0	0%
Professional & Specialized Services	86-2429	\$41,700	\$82,450	\$40,750	98%
Trustees, Commiss & Directors	86-2430	\$19,400	\$19,400	\$0	0%
Publications & Legal Notices	86-2460	\$2,900	\$3,400	\$500	17%
Rents & Leases-Equipment	86-2491	\$2,250	\$2,700	\$450	20%
Rents & Lease-Bldgs & Improv	86-2492	\$175,270	\$180,520	\$5,250	3%
Small Tools & Minor Equip.	86-2520	\$4,650	\$22,700	\$18,050	388%
Training Expense	86-2548	\$9,300	\$10,100	\$800	9%
Special Dept Expense-Other	86-2559	\$2,400	\$2,400	\$0	0%
Transportation & Travel	86-2610	\$22,800	\$23,000	\$200	1%
Vehicle Fuel	86-2611	\$11,100	\$11,000	(\$100)	-1%
Utilities	86-2640	\$10,000	\$10,000	\$0	0%
Contributions to Special Programs & Projects	86-3200	\$0	\$0	\$0	0%
Capital Lease	86-3360	\$9,800	\$10,000	\$200	2%
MAJOR OBJECT TOTAL		\$566,835	\$646,305	\$79,470	14%
Equipment	86-4300	\$44,000	\$60,000	\$16,000	36%
Appropriation for Contingency	86-9900	\$200,113	\$282,960	\$82,847	41%
MAJOR OBJECT TOTAL		\$244,113	\$342,960	\$98,847	40%
FUND 421 - TOTAL FINANCING REQUIREMENTS		\$2,987,118	\$3,142,025	\$154,907	5%



**YOLO-SOLANO AIR QUALITY MANAGEMENT DISTRICT
MOBILE SOURCE PROGRAM (DMV AB2766) - REVENUE DETAIL
FINAL BUDGET FISCAL YEAR 2015/2016**

DESCRIPTION	Account No.	Approved Revenue FY 14/15	Projected Revenue FY 15/16	Variance Increase / (Decrease)	Variance %
State - AB2766 DMV Funds	82-5500	\$1,055,450	\$1,076,500	\$21,050	2%
Interest	82-4100	\$2,600	\$250	(\$2,350)	-90%
Other Revenue	82-7700	\$0	\$0	\$0	0%
SUBTOTAL		\$1,058,050	\$1,076,750	\$18,700	2%
FUND BALANCE AVAILABLE		\$244,239	\$204,138	(\$40,101)	-16%
FUND 422 AB2766 - TOTAL FINANCING AVAILABLE		\$1,302,289	\$1,280,888	(\$21,401)	-2%

MOBILE SOURCE PROGRAM (DMV AB2766) - EXPENDITURE DETAIL

Account Name	Account No.	Approved Expenditures FY 14/15	Projected Expenditures FY 15/16	Variance Increase / (Decrease)	Variance %
Regular Employees	86-1101	\$447,300	\$465,400	\$18,100	4%
Overtime	86-1103	\$1,600	\$1,600	\$0	0%
Vacation/Payroll Buyback	86-1107	\$6,480	\$9,200	\$2,720	42%
Retirement	86-1201	\$98,400	\$73,400	(\$25,000)	-25%
Medicare Tax	86-1203	\$6,000	\$6,900	\$900	15%
Employee Group Insurance	86-1300	\$63,000	\$69,350	\$6,350	10%
OPEB (health pay-as-you-go & trust fund)	86-1301	\$38,250	\$39,000	\$750	2%
Unemployment Insurance	86-1400	\$1,700	\$1,700	\$0	0%
Workers Compensation Insurance	86-1500	\$4,400	\$4,600	\$200	5%
Other Miscellaneous Benefits	86-1600	\$19,750	\$22,930	\$3,180	16%
FUND 422 - SALARY & BENEFIT TOTALS		\$686,880	\$694,080	\$7,200	1%
Clothing and Personal Supplies	86-2050	\$150	\$150	\$0	0%
Communications	86-2090	\$2,100	\$2,475	\$375	18%
Food	86-2130	\$550	\$550	\$0	0%
Maint-Equipment	86-2271	\$17,800	\$13,000	(\$4,800)	-27%
Maint-Bldgs. & Improvements	86-2272	\$650	\$1,650	\$1,000	154%
Memberships	86-2330	\$3,800	\$3,800	\$0	0%
Miscellaneous Expense	86-2360	\$100	\$100	\$0	0%
Office Expense	86-2390	\$2,200	\$2,200	\$0	0%
Office Expense-Postage	86-2391	\$300	\$300	\$0	0%
Office Expense-Printing	86-2392	\$7,900	\$7,500	(\$400)	-5%
Administrative/Intrafund Transfer (Fund 421)	86-2420	\$213,975	\$214,000	\$25	0%
Auditing and Fiscal Services	86-2421	\$0	\$2,800	\$2,800	100%
Information Services	86-2422	\$3,240	\$14,750	\$11,510	355%
Medical Services	86-2425	\$130	\$130	\$0	0%
Professional & Specialized Services	86-2429	\$81,600	\$52,700	(\$28,900)	-35%
Trustees, Commiss. & Directors	86-2430	\$600	\$600	\$0	0%
Publications & Legal Notices	86-2460	\$3,350	\$3,350	\$0	0%
Rents & Lease-Bldgs & Improv	86-2492	\$625	\$625	\$0	0%
Small Tools & Minor Equipment	86-2520	\$2,100	\$5,000	\$2,900	138%
Training Expense	86-2548	\$4,100	\$4,100	\$0	0%
Special Dept Expense-Other	86-2559	\$17,000	\$14,400	(\$2,600)	-15%
Transportation & Travel	86-2610	\$8,550	\$9,100	\$550	6%
Vehicle Fuel (District Electric Charging Station)	86-2611	\$1,000	\$1,500	\$500	50%
Utilities	86-2640	\$210	\$210	\$0	0%
MAJOR OBJECT TOTALS		\$372,030	\$354,990	(\$17,040)	-5%
AB2766 Clean Air Funds	86-3200	\$105,200	\$100,000	(\$5,200)	-5%
Appropriation for Contingency	86-9900	\$138,179	\$131,818	(\$6,361)	-5%
MAJOR OBJECT TOTALS		\$243,379	\$231,818	(\$11,561)	-5%
FUND 422 AB2766 - TOTAL FINANCING REQUIREMENTS		\$1,302,289	\$1,280,888	(\$21,401)	-2%



**YOLO-SOLANO AIR QUALITY MANAGEMENT DISTRICT
MOBILE SOURCE PROGRAM (DMV AB923) - REVENUE DETAIL
FINAL BUDGET FISCAL YEAR 2015/2016**

DESCRIPTION	Account No.	Approved Revenue FY 14/15	Projected Revenue FY 15/16	Variance Increase / (Decrease)	Variance %
State - AB923 DMV Funds	82-5490	\$529,000	\$539,500	\$10,500	2%
Interest	82-4100	\$2,680	\$3,000	\$320	12%
Other Revenue	82-7700	\$0	\$0	\$0	0%
SUBTOTAL		\$531,680	\$542,500	\$10,820	2%
FUND BALANCE AVAILABLE		\$1,448,238	\$1,961,087	\$512,849	35%
FUND 420 AB923 - TOTAL FINANCING AVAILABLE		\$1,979,918	\$2,503,587	\$523,669	26%

MOBILE SOURCE PROGRAM (DMV AB923) - EXPENDITURE DETAIL

Account Name	Account No.	Approved Expenditures FY 14/15	Projected Expenditures FY 15/16	Variance Increase / (Decrease)	Variance %
Administrative/Intrafund Transfer (Fund 421)*	86-2420	\$26,450	\$101,975	\$75,525	286%
AB923 Program	86-3200	\$1,300,000	\$1,800,000	\$500,000	38%
Appropriation for Contingency	86-9900	\$653,468	\$601,612	(\$51,856)	-8%
FUND 420 AB923 - TOTAL FINANCING REQUIREMENTS		\$1,979,918	\$2,503,587	\$523,669	26%

*\$75,000 of the 15/16 expense may be transferred to Fund 421 to use toward the OPEB ARC and will be paid back if transferred by mid-year.

**SOLANO CO. PROPERTY TAX
REVENUE AND EXPENDITURE DETAIL
FINAL BUDGET FISCAL YEAR 2015/2016**

Description	Account No.	Board Approved Revenue FY 14/15	Projected Revenue FY 15/16	Variance Increase / (Decrease)	Variance %
Solano Tax Revenue	82-5820	\$220,000	\$220,000	\$0	0%
Redevelopment, Statutory Pass-Through	82-5711	\$25,000	\$25,000	\$0	0%
Fund Balance Available		\$569,631	\$504,116	(\$65,515)	-12%
FUND 423 - TOTAL FINANCING AVAILABLE		\$814,631	\$749,116	(\$65,515)	-8%

Description	Account No.	Board Approved Expenditures FY 14/15	Projected Expenditures FY 15/16	Variance Increase / (Decrease)	Variance %
Clean Air Funds Projects	86-3102	\$400,000	\$300,000	(\$100,000)	-25%
Administrative/Intrafund Transfer ¹	86-2420	\$24,500	\$64,500	\$40,000	163%
Public Outreach (website/publications)	86-2422/2460	\$2,500	\$17,250	\$14,750	590%
Public Outreach (Promotion)	86-2559	\$2,500	\$2,000	(\$500)	-20%
Contingency	86-9900	\$385,131	\$365,366	(\$19,765)	-5%
FUND 423 - TOTAL FINANCING REQUIREMENTS		\$814,631	\$749,116	(\$65,515)	-8%

¹Intrafund transfer includes 10% admin fee based on revenue received and also a request to reimburse the General Fund for \$40,000 to purchase/lease a low emission or zero emission vehicle and UCD intern to assist in the mobile source public awareness program.

This is a restricted fund which is used exclusively for tracking revenue and expenditures associated with Solano County property tax revenue. 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. Since the pass-thru is unknown we have estimated \$25,000 for 2015/2016. There is a chance that RDA funds might have to be returned to Solano County. This is based on appeals by the affected parties involved in the taxing of RDA projects. The District has sufficient funds to cover any possible pay back in this fund's contingency account. As of 6/30/15 the District has received **\$306,263** of RDA pass-thru funds since 2006.

We are again requesting property tax proceeds to the support the District's public outreach program which includes promotion of Spare the Air (Ozone), Don't Light Tonight, and Clean Transportation. Promotion would include written advertisements in city/county utility bills, electronic display boards and/or movie theater, and possible paid ads in other media outlets.

In addition, we are asking for \$30,000 to reimburse the General Fund for purchase of a low emission or zero emission vehicle and \$10,000 to add an UCD intern to assist in the mobile source public awareness program for the 2015-16 school year.



YOLO-SOLANO AIR QUALITY MANAGEMENT DISTRICT

REVENUE AND EXPENDITURE SUMMARY

FISCAL YEAR 2014/2015 ♦ YEAR ENDING JUNE 30, 2015

DESCRIPTION	FY 14/15 BOARD APPROVED	FY 14/15 ACTUAL YR-END	Increase / (Decrease)	Variance %
General Fund 421	\$2,987,118	\$3,046,285	\$59,167	102%
Mobile Source Program (DMV AB2766) Fund 422	\$1,302,289	\$1,340,228	\$37,939	103%
Mobile Source Program (DMV AB923) Fund 420	\$1,979,918	\$2,070,267	\$90,349	105%
Mobile Source Program (Solano Co. Property Tax) Fund 423	\$814,631	\$939,233	\$124,602	115%
TOTAL REVENUES¹	\$7,083,956	\$7,396,013	\$312,057	104%
Salaries/Benefits	\$2,863,050	\$2,584,816	(\$278,234)	90%
Services/Supplies	\$994,815	\$963,538	(\$31,277)	97%
Equipment	\$44,000	\$41,259	(\$2,741)	94%
Clean Air Funds Grant Program (DMV AB2766)	\$105,200	\$105,200	\$0	100%
Ag Equipment & Public Fleet Grant Program (DMV AB923)	\$1,300,000	\$82,095	(\$1,217,905)	6%
Clean Air Funds Grant Program (Solano Co. Property Tax)	\$400,000	\$400,000	\$0	100%
Contingency	\$1,376,891	\$10,000	(\$1,366,891)	1%
TOTAL EXPENDITURES	\$7,083,956	\$4,186,908	(\$2,897,048)	-69%

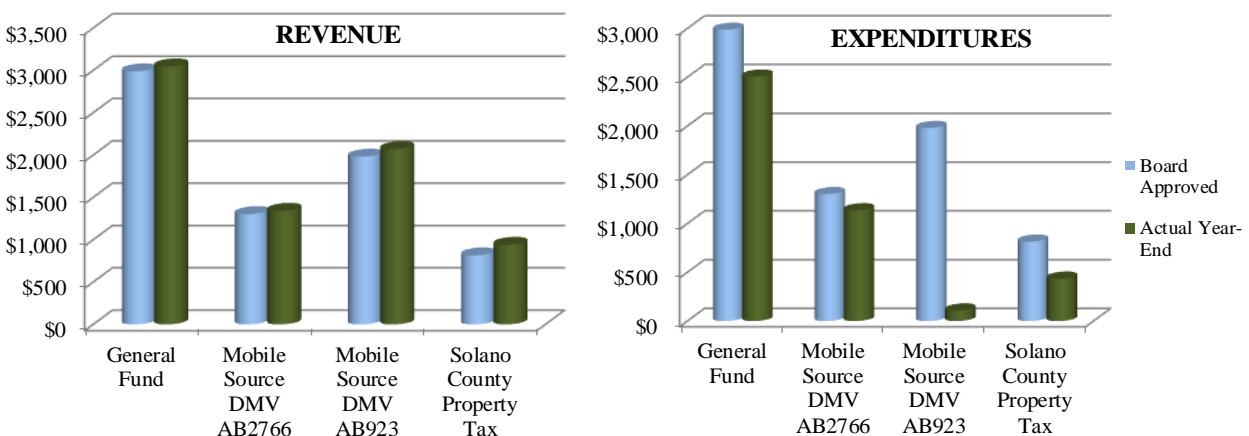
¹Revenue shown includes the fund balance available in each fund. The fund balance of each fund is shown under the revenue details that follow.

²Large decrease projected to year end in the Ag Equipment & Public Fleet program is due to not enough projects being funded in 14/15. Public outreach has increased and \$1.8 million will be available for projects in this program for 15/16.

³The District with Board approval transferred 10,000 in contingency in the DMV AB2766 fund and used toward the database enhancement project. Contingency not used in 14/15 by fund is listed below.

General Fund 421:	\$ 200,113
Mobile Source DMV AB2766 Fund 422:	\$ 128,179
Mobile Source DMV AB923 Fund 420:	\$ 653,468
Solano Co. Property Tax Fund 423:	<u>\$ 569,631</u>
	\$1,366,891

Budget Summary - Approved Final Budget 14/15 Compared to Year-End FY 14/15
(shown in thousands of dollars)





YOLO-SOLANO AIR QUALITY MANAGEMENT DISTRICT
GENERAL FUND - REVENUE DETAIL
FISCAL YEAR 2014/2015 ♦ YEAR ENDING JUNE 30, 2015

DESCRIPTION	Account No.	Approved Revenue FY 13/14	Approved Revenue FY 14/15	Actual Revenue FY 14/15	Variance Approved to Actual (FY 14/15)
STATIONARY SOURCE PROGRAM					
Renewal Permits	82-2600	\$1,330,000	\$1,400,000	\$1,391,730	(\$8,270)
New Permits	82-2601	\$155,000	\$152,500	\$117,163	(\$35,337)
Source Testing	82-2611	\$92,750	\$102,250	\$97,163	(\$5,087)
Agricultural Engine Registrations	82-2612	\$81,800	\$63,500	\$97,600	\$34,100
Portable Equipment Registrations - State ARB	82-5500	\$80,000	\$76,000	\$130,701	\$54,701
EPA 105 Pilot Program (Federal Revenue)	82-5670	\$77,158	\$77,158	\$78,477	\$1,319
SUBTOTAL		\$1,816,708	\$1,871,408	\$1,912,834	\$41,426
Fees/Air Toxics State Program	82-2604	\$16,000	\$9,400	\$8,356	(\$1,044)
Agricultural Burning Program	82-2606	\$21,000	\$23,100	\$19,990	(\$3,110)
Asbestos Program	82-2607	\$18,500	\$18,500	\$19,419	\$919
SUBTOTAL		\$55,500	\$51,000	\$47,765	(\$3,235)
Mutual Settlement Program	82-3300	\$160,000	\$165,000	\$144,904	(\$20,096)
Interest Earned (includes 82-4100 & 4199)	82-41XX	\$6,000	\$4,000	\$2,695	(\$1,305)
Air Resources Board Subvention (State Revenue)	82-5490	\$90,000	\$90,000	\$89,455	(\$545)
Air Resources Board Mower Grant (State Revenue)	82-5500	\$5,290	\$0	\$3,035	\$3,035
EPA 103 PM2.5 grant (Federal Revenue)	82-5670	\$17,909	\$14,342	\$14,500	\$158
Administrative Overhead	82-6390	\$187,000	\$265,420	\$300,101	\$34,681
Penalty Assessments	82-6399	\$10,000	\$10,000	\$13,159	\$3,159
Other-Revenue	82-7700	\$2,500	\$1,000	\$1,684	\$684
Stale Date Warrants	82-7705	\$0	\$0	(\$2,058)	(\$2,058)
Sale of Fixed Assets	82-8100	\$0	\$0	\$3,054	\$3,054
SUBTOTAL		\$478,699	\$549,762	\$570,529	\$20,767
TOTALS		\$2,350,907	\$2,472,170	\$2,531,128	\$58,958
FUND BALANCE AVAILABLE		\$656,320	\$514,948	\$515,157	\$209
Transfer to Operating Budget (Restricted Reserves)		\$0	\$0	\$0	\$0
FUND 421 - TOTAL FINANCING AVAILABLE		\$3,007,227	\$2,987,118	\$3,046,285	\$59,167
Fund Balance available to 15/16:					\$539,764



YOLO-SOLANO AIR QUALITY MANAGEMENT DISTRICT
GENERAL FUND - EXPENDITURE DETAIL
FISCAL YEAR 2014/2015 ♦ YEAR ENDING JUNE 30, 2015

Account Name	Account No.	Approved Expenditures FY 13/14	Approved Expenditures FY 14/15	Actual Expenditures FY 14/15	Variance Approved to Actual (FY 14/15)
Regular Employees	86-1101	\$1,325,000	\$1,361,000	\$1,236,803	(\$124,197)
Extra-Help	86-1102	\$0	\$9,100	\$4,458	(\$4,642)
Overtime (includes expedite program)	86-1103	\$15,750	\$14,500	\$9,220	(\$5,280)
Vacation/Payroll Buyback (or payout)	86-1107	\$9,300	\$13,000	\$16,846	\$3,846
Retirement	86-1201	\$336,000	\$290,000	\$256,519	(\$33,481)
Medicare and Social Security Tax	86-1203	\$18,900	\$19,400	\$18,109	(\$1,291)
Employee Group Insurance	86-1300	\$257,100	\$280,000	\$237,282	(\$42,718)
OPEB (health pay-as-you-go & trust fund)	86-1301	\$77,000	\$89,200	\$103,753	\$14,553
Unemployment Insurance	86-1400	\$6,600	\$6,700	\$5,021	(\$1,679)
Workers Compensation Insurance	86-1500	\$9,870	\$11,270	\$11,265	(\$5)
Other Miscellaneous Benefits	86-1600	\$41,900	\$82,000	\$43,830	(\$38,170)
FUND 421 - SALARY & BENEFIT TOTALS		\$2,097,420	\$2,176,170	\$1,943,106	(\$233,064)
Clothing and Personal Supplies	86-2050	\$2,500	\$2,500	\$250	(\$2,250)
Communications	86-2090	\$17,500	\$19,000	\$15,623	(\$3,377)
Food	86-2130	\$1,000	\$1,000	\$707	(\$293)
Household Expense	86-2170	\$2,000	\$2,000	\$1,193	(\$807)
Household Expense-Contracts	86-2171	\$16,520	\$16,520	\$16,512	(\$8)
Insurance-Public Liability	86-2202	\$17,100	\$14,300	\$11,208	(\$3,092)
Maint-Equipment	86-2271	\$22,000	\$23,300	\$18,319	(\$4,981)
Maint-Bldgs & Improv	86-2272	\$925	\$925	\$7,993	\$7,068
Medical, Dental & Lab Supplies	86-2300	\$400	\$400	\$245	(\$155)
Memberships	86-2330	\$6,000	\$6,100	\$4,132	(\$1,968)
Miscellaneous Expense	86-2360	\$1,400	\$1,400	\$758	(\$642)
Office Expense	86-2390	\$12,200	\$12,200	\$7,093	(\$5,107)
Office Expense-Postage	86-2391	\$9,000	\$9,000	\$7,071	(\$1,929)
Office Expense-Printing	86-2392	\$8,100	\$8,100	\$1,458	(\$6,642)
Indirect/Overhead A-87 Costs-JPA with Yolo Co.	86-2420	\$15,250	\$15,000	\$10,000	(\$5,000)
Auditing and Fiscal Services	86-2421	\$39,600	\$30,300	\$28,266	(\$2,034)
Information Services	86-2422	\$48,000	\$48,000	\$50,740	\$2,740
Legal Services (County Counsel)	86-2423	\$43,200	\$44,000	\$43,200	(\$800)
Medical Services	86-2425	\$720	\$1,220	\$456	(\$764)
Professional & Specialized Services	86-2429	\$107,400	\$41,700	\$47,718	\$6,018
Trustees, Commis & Directors	86-2430	\$19,400	\$19,400	\$9,940	(\$9,460)
Publications & Legal Notices	86-2460	\$2,900	\$2,900	\$5,257	\$2,357
Rents & Leases-Equipment	86-2491	\$1,360	\$2,250	\$1,960	(\$290)
Rents & Lease-Bldgs & Improv	86-2492	\$172,000	\$175,270	\$173,015	(\$2,255)
Small Tools & Minor Equip.	86-2520	\$14,600	\$4,650	\$11,268	\$6,618
Training Expense	86-2548	\$10,000	\$9,300	\$3,383	(\$5,917)
Special Dept Expense-Other	86-2559	\$3,000	\$2,400	\$3,000	\$600
Transportation & Travel	86-2610	\$24,000	\$22,800	\$13,414	(\$9,386)
Vehicle Fuel	86-2611	\$12,100	\$11,100	\$9,295	(\$1,805)
Utilities	86-2640	\$10,000	\$10,000	\$10,195	\$195
Contributions to Special Programs & Projects	86-3200	\$11,400	\$0	\$0	\$0
Capital Lease	86-3360	\$9,800	\$9,800	\$8,487	(\$1,313)
MAJOR OBJECT TOTAL		\$661,375	\$566,835	\$522,156	(\$44,679)
Equipment	86-4300	\$0	\$44,000	\$41,259	(\$2,741)
Appropriation for Contingency	86-9900	\$248,432	\$200,113	\$0	(\$200,113)
MAJOR OBJECT TOTAL		\$248,432	\$244,113	\$41,259	(\$202,854)
FUND 421 - TOTAL FINANCING REQUIREMENTS		\$3,007,227	\$2,987,118	\$2,506,521	(\$480,597)



**YOLO-SOLANO AIR QUALITY MANAGEMENT DISTRICT
MOBILE SOURCE PROGRAM (DMV AB2766) - REVENUE DETAIL
FISCAL YEAR 2014/2015 ♦ YEAR ENDING JUNE 30, 2015**

DESCRIPTION	Account No.	Approved Revenue FY 13/14	Approved Revenue FY 14/15	Actual Revenue FY 14/15	Variance Approved to Actual (FY 14/15)
State - AB2766 DMV Funds	82-5500	\$1,017,000	\$1,055,450	\$1,086,917	\$31,467
Interest	82-4100	\$4,000	\$2,600	\$557	(\$2,043)
Other Revenue	82-7700	\$0	\$0	\$245	\$245
SUBTOTAL		\$1,021,000	\$1,058,050	\$1,087,719	\$29,669
FUND BALANCE AVAILABLE		\$139,022	\$244,239	\$252,509	\$8,270
FUND 422 AB2766 - TOTAL FINANCING AVAILABLE		\$1,160,022	\$1,302,289	\$1,340,228	\$37,939
				Fund Balance available to 15/16:	\$204,138

MOBILE SOURCE PROGRAM (DMV AB2766) - EXPENDITURE DETAIL

Account Name	Account No.	Approved Expenditures FY 13/14	Approved Expenditures FY 14/15	Actual Expenditures FY 14/15	Variance Approved to Actual (FY 14/15)
Regular Employees	86-1101	\$436,200	\$447,300	\$429,405	(\$17,895)
Overtime	86-1103	\$2,200	\$1,600	\$16	(\$1,584)
Vacation/Payroll Buyback	86-1107	\$6,300	\$6,480	\$3,780	(\$2,700)
Retirement	86-1201	\$77,700	\$98,400	\$94,349	(\$4,051)
Medicare Tax	86-1203	\$5,900	\$6,000	\$6,199	\$199
Employee Group Insurance	86-1300	\$75,950	\$63,000	\$52,365	(\$10,635)
OPEB (health pay-as-you-go & trust fund)	86-1301	\$33,000	\$38,250	\$38,220	(\$30)
Unemployment Insurance	86-1400	\$1,870	\$1,700	\$1,256	(\$444)
Workers Compensation Insurance	86-1500	\$3,900	\$4,400	\$4,381	(\$19)
Other Miscellaneous Benefits	86-1600	\$11,900	\$19,750	\$11,739	(\$8,011)
FUND 422 - SALARY & BENEFIT TOTALS		\$654,920	\$686,880	\$641,710	(\$45,170)
Clothing and Personal Supplies	86-2050	\$150	\$150	\$61	(\$89)
Communications	86-2090	\$1,600	\$2,100	\$2,782	\$682
Food	86-2130	\$300	\$550	\$151	(\$399)
Maint-Equipment	86-2271	\$11,000	\$17,800	\$10,992	(\$6,808)
Maint-Bldgs. & Improvements	86-2272	\$300	\$650	\$53	(\$597)
Memberships	86-2330	\$3,800	\$3,800	\$2,079	(\$1,721)
Miscellaneous Expense	86-2360	\$100	\$100	\$0	(\$100)
Office Expense	86-2390	\$2,200	\$2,200	\$373	(\$1,827)
Office Expense-Postage	86-2391	\$300	\$300	\$87	(\$213)
Office Expense-Printing	86-2392	\$8,350	\$7,900	\$1,837	(\$6,063)
Administrative Overhead (Fund 421)	86-2420	\$135,700	\$213,975	\$237,899	\$23,924
Auditing and Fiscal Services	86-2421	\$3,700	\$0	\$0	\$0
Information Services	86-2422	\$2,200	\$3,240	\$1,969	(\$1,271)
Medical Services	86-2425	\$130	\$130	\$0	(\$130)
Professional & Specialized Services*	86-2429	\$52,300	\$91,600	\$98,921	\$7,321
Trustees, Commiss. & Directors	86-2430	\$600	\$600	\$500	(\$100)
Publications & Legal Notices	86-2460	\$4,600	\$3,350	\$295	(\$3,055)
Rents & Lease-Bldgs & Improv	86-2492	\$1,200	\$625	\$2	(\$623)
Small Tools & Minor Equipment	86-2520	\$5,100	\$2,100	\$1,459	(\$641)
Training Expense	86-2548	\$4,000	\$4,100	\$2,352	(\$1,748)
Special Dept Expense-Other	86-2559	\$13,000	\$17,000	\$8,218	(\$8,782)
Transportation & Travel	86-2610	\$9,400	\$8,550	\$8,109	(\$441)
Vehicle Fuel (District Electric Charging Station)	86-2611	\$0	\$1,000	\$911	(\$89)
Utilities	86-2640	\$200	\$210	\$130	(\$80)
MAJOR OBJECT TOTALS		\$260,230	\$382,030	\$379,180	(\$2,850)
AB2766 Clean Air Funds	86-3200	\$100,000	\$105,200	\$105,200	\$0
Equipment	86-4300	\$0	\$0	\$0	\$0
Appropriation for Contingency*	86-9900	\$144,872	\$138,179	\$10,000	(\$128,179)
MAJOR OBJECT TOTALS		\$244,872	\$243,379	\$115,200	(\$128,179)
FUND 422 AB2766 - TOTAL FINANCING REQUIREMENTS		\$1,160,022	\$1,312,289	\$1,136,090	(\$176,199)

*Board approved transfer of Contingency \$10,000 to increase 86-2429 by MO#15-01



**YOLO-SOLANO AIR QUALITY MANAGEMENT DISTRICT
MOBILE SOURCE PROGRAM (DMV AB923) - REVENUE DETAIL
FISCAL YEAR 2014/2015 ♦ YEAR ENDING JUNE 30, 2015**

DESCRIPTION	Account No.	Approved Revenue FY 13/14	Approved Revenue FY 14/15	Actual Revenue FY 14/15	Variance Approved to Actual (FY 14/15)
State - AB923 DMV Funds	82-5140	\$508,800	\$529,000	\$540,959	\$11,959
Interest	82-4100	\$2,680	\$2,680	\$5,356	\$2,676
Other Revenue	82-7700	\$0	\$0	\$0	\$0
SUBTOTAL		\$511,480	\$531,680	\$546,315	\$14,635
FUND BALANCE AVAILABLE		\$939,577	\$1,448,238	\$1,523,952	\$75,714
FUND 420 AB923 - TOTAL FINANCING AVAILABLE		\$1,451,057	\$1,979,918	\$2,070,267	\$90,349
Fund Balance available to 15/16:					\$1,961,087

MOBILE SOURCE PROGRAM (DMV AB923) - EXPENDITURE DETAIL

Account Name	Account No.	Approved Expenditures FY 13/14	Approved Expenditures FY 14/15	Actual Expenditures FY 14/15	Variance Approved to Actual (FY 14/15)
Administrative Fee (Fund 421)	86-2420	\$25,440	\$26,450	\$27,085	\$635
AB923 Program	86-3200	\$900,000	\$1,300,000	\$82,095	(\$1,217,905)
Appropriation for Contingency	86-9900	\$525,617	\$653,468	\$0	(\$653,468)
FUND 420 AB923 - TOTAL FINANCING REQUIREMENTS		\$1,451,057	\$1,979,918	\$109,180	(\$1,870,738)

**SOLANO COUNTY PROPERTY TAX
REVENUE AND EXPENDITURE DETAIL
FISCAL YEAR 2014/2015 ♦ YEAR ENDING JUNE 30, 2015**

Description	Account No.	Approved Revenue FY 13/14	Approved Revenue FY 14/15	Actual Revenue FY 14/15	Variance Approved to Actual (FY 14/15)
Solano Tax Revenue	82-5820	\$220,000	\$220,000	\$302,395	\$82,395
Redevelopment, Statutory Pass-Through	82-5711	\$25,000	\$25,000	\$67,207	\$42,207
Fund Balance Available		\$521,688	\$569,631	\$569,631	\$0
FUND 423 - TOTAL FINANCING AVAILABLE		\$766,688	\$814,631	\$939,233	\$124,602
Fund Balance available to 15/16:					\$504,116

Description	Account No.	Board Approved Expenditures FY 13/14	Approved Expenditures FY 14/15	Actual Expenditures FY 14/15	Variance Approved to Actual (FY 14/15)
Clean Air Funds Projects	86-3102	\$250,000	\$400,000	\$400,000	\$0
Administrative Fee	86-2420	\$24,500	\$24,500	\$35,117	\$10,617
Public Outreach (Publications)	86-2460	\$4,000	\$2,500	\$0	(\$2,500)
Public Outreach (Promotion)	86-2559	\$3,000	\$2,500	\$0	(\$2,500)
Lawnmower Exchange Program	86-3200	\$9,000	\$0	\$0	\$0
Contingency	86-9900	\$476,188	\$385,131	\$0	(\$385,131)
FUND 423 - TOTAL FINANCING REQUIREMENTS		\$766,688	\$814,631	\$435,117	(\$379,514)

YOLO-SOLANO AIR QUALITY MANAGEMENT DISTRICT

PERSONNEL

Recommended Job Classifications for 2015/2016:

Job Classifications	FY 2014/2015 FTE¹	FY 2015/2016 FTE¹
<u>Executive Positions</u>		
Executive Director/Air Pollution Control Officer	1.00	1.00
<u>Exempt Management Positions</u>		
Deputy Air Pollution Control Officer	1.00	1.00
Administrative Services Manager	1.00	1.00
Compliance Manager	1.00	1.00
Engineering Manager	1.00	1.00
Planning and Air Monitoring Manager	1.00	1.00
<u>Administrative/Clerical Positions</u>		
Administrative Operations Coordinator/Board Clerk	1.00	1.00
Administrative Assistant	2.00	2.00
Air Quality Technician	2.00	2.00
Public Information Officer	1.00	1.00
<u>Compliance Positions</u>		
Assistant/Associate Air Quality Specialist	4.00	4.00
Senior Air Quality Specialist	1.00	1.00
<u>Engineering Positions</u>		
Assistant/Associate Air Quality Engineer	3.00	3.00
<u>Planning and Air Monitoring Positions</u>		
Air Monitoring Technician I/II	1.00	1.00
Assistant/Associate Air Quality Planner	<u>1.00</u>	<u>1.00</u>
TOTAL	22.00	22.00

¹FTE - Full-time Equivalent

Executive Director/APCO Approved Recommendations

Summary

Under the District's reorganization in 2013/2014, we were able to streamline operations and provide additional technical support to the District divisions, which provided cost savings. We are continuing to work on improving inspection workflow issues, and will continue to look at ways to streamline operations and achieve a higher rate of efficiency, which will continue to provide costs savings.

Salaries and benefits are affected by the District's contributions toward the OPEB obligation of \$130,000 (ARC) and the pre-payment of the 2015/2016 pension accrued unfunded liability of \$62,000. These contributions are part of the District's commitment to pay down unfunded liabilities (*see page 7 and 8 for additional information on OPEB and pension liabilities*).

As the District moves forward to 2015/2016, we are recommending continuing to operate at 22 full-time positions. In 2014/2015 the Board allowed the District to hire a work experience student up to three (3) hours of work per day. In February the cost shifted to services and supplies, as we hired a more experienced individual through a temp agency to assist in the absence of a long-time employee out on leave. The budget supports another student for 2015/2016 starting in August 2015. This will cost the District approximately \$8,500 in 2015/2016, which includes wages and payroll taxes. However, we might shift this cost and hire through a temp agency if a student is unable to provide the skills necessary to efficiently complete the work required.

Fiscal Year 2015/2016 Overview

The following salary and benefit changes effective July 1, 2015 were approved on June 10, 2015 by Board by Agreement No. 15-11 with the Yolo-Solano Air Quality Management District Employees' Association and by Minute Order No. 15-11.C. and 15-11.D. and Salary Resolution(s) No. 15-05 and No. 15-05M. Only salaries are pensionable through the District's contract with CalPERS.

- An equity adjustment of 2% is included in Salary Resolution No. 15-05 and No. 15-05M effective July 1, 2015 for all positions except the Executive Director/Air Pollution Control Officer.
- A COLA of 1.9% based on the prior year California Consumer Price Index (CPI) April 2013 to April 2014.
- CalPERS Pension effective July 1, 2015 "New Members" will pay half of the normal cost, which for 2015/2016 is 6.25% and the District will pay 6.25%; and "Classic Members" will pay 3.25% of the 7% Employee Paid Member Contribution (EPMC) for Classic Members and the District paying 3.75%.
- Health premiums were capped at 90% of Kaiser Bay Area rates in 2012. This cap continues with the monthly District contributions at employee only \$550, employee plus one \$1,100, and employee plus family \$1,430.
- Cafeteria benefit dollars are offered to offset the increase in premiums because of the health benefit cap established in 2012. The Board approved to continue the same cost sharing of increases based on Kaiser premiums. In 2015/2016 the base fee is set at \$67.00 for employee only, \$133.00 for employee plus one, and \$172.00 for employee plus family. The District will equally cost share any increase in Kaiser health insurance premiums in which the employee has established premium rates (home or District zip code) based on the employee's level of coverage.

- Employees that might opt-out of the District's health insurance plan will receive an increase in monthly taxable earnings from \$150.00 per month to \$250.00 per month. Employees that opt-out of the District's plan are not eligible for Cafeteria Benefit Dollars.
- Amended the Transportation Incentive by adding a new lower tier to qualify for an incentive. If an employee commutes 25% of their time or 25% of their commute miles by using an alternate method such as walking, bicycling, public or mass transit, carpooling or vanpooling (two or more persons per vehicle), electric vehicle or zero-emission means of transportation are eligible to receive \$45.00 per month.
- Increase in the District match from \$60.00 per month to \$80.00 per month for participating employees.
- Caps the amount of compensatory time (comp time) earned in a fiscal year at 40 hours and no carry over greater than 80 hours from one-fiscal year to the next. Previously the cap was at 120 hours.
- Employees will be able to cash out annual (vacation) leave of ten to twenty hours per year based on a minimum leave bank and years of service.

YOLO-SOLANO AIR QUALITY MANAGEMENT DISTRICT
SALARY RESOLUTION NO. 15-05
EFFECTIVE JULY 1, 2015

	Range	Step A	Step B	Step C	Step D	Step E	FLSA Status	Covered Under MOU
Administration								
Administrative Clerk	23	\$2,660 \$31,920 \$15.35	\$2,793 \$33,516 \$16.11	\$2,933 \$35,196 \$16.92	\$3,079 \$36,948 \$17.76	\$3,233 \$38,796 \$18.65	Non-exempt	yes
Administrative Assistant	41	\$3,182 \$38,184 \$18.36	\$3,341 \$40,092 \$19.28	\$3,508 \$42,096 \$20.24	\$3,683 \$44,196 \$21.25	\$3,867 \$46,404 \$22.31	Non-exempt	yes
Air Quality Technician	67	\$4,121 \$49,452 \$23.78	\$4,327 \$51,924 \$24.96	\$4,544 \$54,528 \$26.22	\$4,771 \$57,252 \$27.53	\$5,009 \$60,108 \$28.90	Non-exempt	yes
Administrative Operations Coordinator/Board Clerk	77	\$4,552 \$54,624 \$26.26	\$4,780 \$57,360 \$27.58	\$5,019 \$60,228 \$28.96	\$5,270 \$63,240 \$30.40	\$5,533 \$66,396 \$31.92	Non-exempt	no
Public Information Officer	93	\$5,338 \$64,056 \$30.80	\$5,605 \$67,260 \$32.34	\$5,885 \$70,620 \$33.95	\$6,179 \$74,148 \$35.65	\$6,488 \$77,856 \$37.43	Non-exempt	yes
Compliance								
Assistant Air Quality Specialist	80	\$4,690 \$56,280 \$27.06	\$4,925 \$59,100 \$28.41	\$5,171 \$62,052 \$29.83	\$5,430 \$65,160 \$31.33	\$5,701 \$68,412 \$32.89	Non-exempt	yes
Associate Air Quality Specialist	95	\$5,445 \$65,340 \$31.41	\$5,717 \$68,604 \$32.98	\$6,003 \$72,036 \$34.63	\$6,303 \$75,636 \$36.36	\$6,619 \$79,428 \$38.19	Non-exempt	yes
Senior Air Quality Specialist	105	\$6,015 \$72,180 \$34.70	\$6,316 \$75,792 \$36.44	\$6,631 \$79,572 \$38.26	\$6,963 \$83,556 \$40.17	\$7,311 \$87,732 \$42.18	Non-exempt	yes
Engineering								
Assistant Air Quality Engineer	92	\$5,285 \$63,420 \$30.49	\$5,549 \$66,588 \$32.01	\$5,827 \$69,924 \$33.62	\$6,118 \$73,416 \$35.30	\$6,424 \$77,088 \$37.06	Non-exempt	yes
Associate Air Quality Engineer	107	\$6,136 \$73,632 \$35.40	\$6,443 \$77,316 \$37.17	\$6,765 \$81,180 \$39.03	\$7,103 \$85,236 \$40.98	\$7,458 \$89,496 \$43.03	Non-exempt	yes
Associate Air Quality Engineer with P.E.	112	\$6,449 \$77,388 \$37.21	\$6,771 \$81,252 \$39.06	\$7,110 \$85,320 \$41.02	\$7,465 \$89,580 \$43.07	\$7,839 \$94,068 \$45.23	Non-exempt	yes
Senior Air Quality Engineer	117	\$6,778 \$81,336 \$39.10	\$7,117 \$85,404 \$41.06	\$7,472 \$89,664 \$43.11	\$7,846 \$94,152 \$45.27	\$8,238 \$98,856 \$47.53	Non-exempt	yes
Senior Air Quality Engineer with P.E.	122	\$7,123 \$85,476 \$41.09	\$7,480 \$89,760 \$43.15	\$7,854 \$94,248 \$45.31	\$8,246 \$98,952 \$47.57	\$8,659 \$103,908 \$49.96	Non-exempt	yes
Board Approved June 10, 2015								

YOLO-SOLANO AIR QUALITY MANAGEMENT DISTRICT
SALARY RESOLUTION NO. 15-05
EFFECTIVE JULY 1, 2015

	Range	Step A	Step B	Step C	Step D	Step E	FLSA Status	Covered Under MOU
Planning and Air Monitoring								
Air Monitoring Technician I	67	\$4,121 \$49,452 \$23.78	\$4,327 \$51,924 \$24.96	\$4,544 \$54,528 \$26.22	\$4,771 \$57,252 \$27.53	\$5,009 \$60,108 \$28.90	Non-exempt	yes
Air Monitoring Technician II	82	\$4,784 \$57,408 \$27.60	\$5,024 \$60,288 \$28.98	\$5,275 \$63,300 \$30.43	\$5,539 \$66,468 \$31.96	\$5,816 \$69,792 \$33.55	Non-exempt	yes
Assistant Air Quality Planner	83	\$4,832 \$57,984 \$27.88	\$5,074 \$60,888 \$6.00	\$5,328 \$63,936 \$30.74	\$5,594 \$67,128 \$32.27	\$5,874 \$70,488 \$33.89	Non-exempt	yes
Associate Air Quality Planner	98	\$5,610 \$67,320 \$32.37	\$5,891 \$70,692 \$33.99	\$6,185 \$74,220 \$35.68	\$6,494 \$77,928 \$37.47	\$6,819 \$81,828 \$39.34	Non-exempt	yes
Clerical Extra-Help/Interns								
Clerical Extra-Help	1	\$12.33 per hour					Non-exempt	no
		\$2,608 \$30,120	\$2,635 \$31,620	\$2,767 \$33,204	\$2,906 \$34,872	\$3,051 \$36,612	Non-exempt	no
Intern (College)	21	\$15.04	\$15.20	\$15.96	\$16.77	\$17.60	Non-exempt	no
Board Approved June 10, 2015								

YOLO-SOLANO AIR QUALITY MANAGEMENT DISTRICT
Management - Exempt Positions
SALARY RESOLUTION NO. 15-05M
EFFECTIVE JULY 1, 2015

Salary Range	Minimum		Maximum		Range/Position
	Hourly	Monthly	Hourly	Monthly	
M-115	\$37.27	\$6,461	\$46.59	\$8,076	
M-116	\$37.65	\$6,525	\$47.06	\$8,157	
M-117	\$38.02	\$6,591	\$47.53	\$8,238	
M-118	\$38.40	\$6,657	\$48.00	\$8,321	Planning & Air Monitoring Manager
M-119	\$38.79	\$6,723	\$48.48	\$8,404	
M-120	\$39.18	\$6,790	\$48.97	\$8,488	Compliance Manager
M-121	\$39.57	\$6,858	\$49.46	\$8,573	
M-122	\$39.96	\$6,927	\$49.95	\$8,659	
M-123	\$40.36	\$6,996	\$50.45	\$8,745	
M-124	\$40.77	\$7,066	\$50.96	\$8,833	
M-125	\$41.17	\$7,137	\$51.47	\$8,921	
M-126	\$41.59	\$7,208	\$51.98	\$9,010	
M-127	\$42.00	\$7,280	\$52.50	\$9,100	
M-128	\$42.42	\$7,353	\$53.03	\$9,191	
M-129	\$42.85	\$7,427	\$53.56	\$9,283	
M-130	\$43.27	\$7,501	\$54.09	\$9,376	
M-131	\$43.71	\$7,576	\$54.63	\$9,470	
M-132	\$44.14	\$7,652	\$55.18	\$9,564	Administrative Services Manager Engineering Manager
M-133	\$44.59	\$7,728	\$55.73	\$9,660	
M-134	\$45.03	\$7,805	\$56.29	\$9,757	
M-135	\$45.48	\$7,883	\$56.85	\$9,854	
M-136	\$45.94	\$7,962	\$57.42	\$9,953	
M-137	\$46.40	\$8,042	\$57.99	\$10,052	
M-138	\$46.86	\$8,122	\$58.57	\$10,153	
M-139	\$47.33	\$8,204	\$59.16	\$10,254	
M-140	\$47.80	\$8,286	\$59.75	\$10,357	
M-141	\$48.28	\$8,368	\$60.35	\$10,461	
M-142	\$48.76	\$8,452	\$60.95	\$10,565	
M-143	\$49.25	\$8,537	\$61.56	\$10,671	
M-144	\$49.74	\$8,622	\$62.18	\$10,778	
M-145	\$50.24	\$8,708	\$62.80	\$10,885	
M-146	\$50.74	\$8,795	\$63.43	\$10,994	
M-147	\$51.25	\$8,883	\$64.06	\$11,104	Deputy APCO
M-148	\$51.76	\$8,972	\$64.70	\$11,215	
M-149	\$52.28	\$9,062	\$65.35	\$11,327	
M-150	\$52.80	\$9,152	\$66.00	\$11,441	

Board Approved June 10, 2015

FUND BALANCE SUMMARY & 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 times of 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 proper 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 AB2766 Fund (AB2766 Fund) operating revenues in the reserve fund balance (General Reserves), and at least 5% in contingency reserves in both the General Fund and the AB2766 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 AB2766 Funds. Currently the fiscal policy allows for a 5% contingency reserve in both 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 AB2766'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 AB2766 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 421 and AB2766) fund balance from 2012/2013 to 2014/2015 (2014/2015 are year-end projections) and recommended final budget for 2015/2016. Based on the target goal the average operating percentages for 2012/2013 to 2014/2015 are at 21%, which is slightly above the recommended fund balance' reserve policy. The projections for the combined reserves (16%) under the final budget for 2015/2016 are 1% above the high target percentage of the board policy of 5 % to 15%.

Fund Balance History									
Fiscal Year	General & DMV AB2766 Funds Fund Balance & Operating Expenditures (Unassigned)			General & DMV AB2766 Funds Contingency and General Fund Reserves (Unassigned, Assigned and Committed)					
	Unassigned & AB2766 Restricted Fund Balance ¹	Operating Expenditures	% of Unassigned Fund Balance	Contingency (Unassigned & AB2766 Restricted) Fund Balance ²	% of Contingency and Expenditure Budget	Equipment & Special Program Reserves (Assigned ³ & Committed ⁴)	General Reserve ⁵ (Unassigned)	% of General Reserves and Operating Budget	% of Operating Budget (combined reserves)
2012/13	\$779,138	\$3,438,540	23%	\$328,150	10%	\$27,699	\$259,146	8%	18%
2013/14	\$795,279	\$3,443,835	23%	\$393,304	11%	\$27,924	\$259,146	8%	20%
2014/15	\$767,666	\$3,527,411	22%	\$328,292	9%	\$27,928	\$259,146	7%	17%
3-Yr. Avg	\$780,694	\$3,659,515	21%	\$349,915	10%	\$27,850	\$259,146	7%	17%
Projections for 2015/2016:									
2015/16	\$743,902	\$4,121,788	18%	\$414,778	10%	\$0	\$259,146	6%	16%

■ : 2014/15 Projected Year-end Operating Fund Bal. & Expenditures

■ : 3-yr. average (2012/13 to 2014/15)

■ : 2015/16 Projected Unassigned & AB2766 Restricted Fund Balance and Operating Expenditures (General Fund and Mobile Source DMV AB2766). The amount allocated to the CAF grant program is deducted from operating expenditures under DMV)

■ : 2015/16 Contingency (General Fund and Mobile Source DMV AB2766) and General Reserve Fund Balance

¹ Unassigned Fund Balance: This includes prior year fund balance (cash) where revenue exceeded expenditures in the General Fund and also under the restricted fund balance in Fund 422, Mobile Source DMV AB2766.

² Unassigned Fund Balance -Contingency: Stabilization reserves within the operating budgets which also includes restricted contingency in Fund 422, Mobile Source DMV AB2766.

³ Assigned Fund Balance: Equipment and special program reserve accounts.

⁴ Committed Fund Balance: OPEB reserves of \$105,000, approved by the Board in 2011/2012. This moved to the 2012/2013 operating budget for disbursement to an OPEB trust in 2012/2013.

⁵ Unassigned Fund Balance: General Reserves in the General Fund.

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 AB2766, AB923 and AB8 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 ASO. All of the District's encumbrances are related to grants.
- **Unassigned:** General reserves and contingency accounts which 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:** AB2766, AB923 and Solano County Property Tax which are considered resources 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 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.



GENERAL FUND BUDGET REVIEW BY PROGRAM

Final Budget - Fiscal Year 2015/2016

Program Name	Subvention	Revenue Projections for 15/16	Revenue Total for Cost Recovery	Employee %	Expenditures	Variance Positive or (Negative)	Cost Recovery Percentage
Stationary Source	\$83,240	\$1,906,358	\$1,989,598	80%	\$2,289,923	(\$300,325)	87%
Air Toxics	\$848	\$60,000	\$60,848	1%	\$17,380	\$43,468	350%
Agricultural Burning	\$3,404	\$21,000	\$24,404	3%	\$98,605	(\$74,201)	25%
Asbestos	\$2,507	\$40,000	\$42,507	2%	\$70,124	(\$27,616)	61%
Mutual Settlement	\$0	\$115,000	\$115,000	6%	\$169,633	(\$54,633)	68%
Administration ¹	\$0	\$341,975	\$341,975	7%	\$213,400 ²	\$128,575	160%
Totals	\$90,000	\$2,484,333	\$2,574,333	100%	\$2,859,065	(\$284,733)	
Fund Balance:			\$567,692		\$282,960	:Contingency	
BUDGET TOTALS FOR 15/16:			\$3,142,025		\$3,142,025		

Final budget includes paying OPEB Annual Required Contribution of \$130,000, which \$91,000 is paid by the General Fund (split 70/30 with the Mobile Source DMV AB2766 Fund). The Fund Balance of \$567,692 includes moving \$27,928 of equipment and special reserves to operating budget as part of the fund balance available.

¹Revenue received under Administration includes money received from the following sources:

- EPA pass-thru 103 grant for the PM 2.5 air monitoring program \$23,000.
- Administrative fees and overhead and indirect (intrafund) charges from restricted accounts to offset expenses of the employees working within the mobile source programs (\$214,000 Fund 422, \$26,975 Fund 420, and \$64,500 Fund 423).
- Interest earned and miscellaneous revenue.

²Expenditures under Administration include administrative, management and general support, overhead/indirect (intrafund) expenses, and air monitoring activities under the PM2.5 program related to stationary source emissions.



GENERAL FUND BUDGET REVIEW BY PROGRAM

Projected Year End for Fiscal Year 2014/2015

Program Name	Subvention	Revenue Projections for 14/15	Revenue Total for Cost Recovery	Employee %	Expenditures	Variance Positive or (Negative)	Cost Recovery Percentage
Stationary Source	\$80,723	\$1,912,834	\$1,993,557	80.93%	\$2,028,503	(\$34,947)	98%
Air Toxics	\$1,424	\$8,356	\$9,780	1.03%	\$25,731	(\$15,951)	38%
Agricultural Burning	\$3,273	\$19,990	\$23,263	2.88%	\$72,161	(\$48,898)	32%
Asbestos	\$4,035	\$19,419	\$23,454	3.64%	\$91,308	(\$67,854)	26%
Mutual Settlement		\$144,904	\$144,904	2.85%	\$71,520	\$73,384	203%
Administration ¹		\$336,170	\$336,170	8.69%	\$217,297 ²	\$118,873	155%
Totals	\$89,455	\$2,441,673	\$2,531,128	100%	\$2,506,521	\$24,607	
Fund Balance:			\$515,157			Fund Balance \$539,764 >to 2015/16	
BUDGET TOTALS FOR 14/15:			\$3,046,285		\$2,506,521		

Year end budget includes paying OPEB Annual Required Contribution of \$127,400 and paying off the pension side fund of \$81,000.

¹Revenue received under Administration includes cash received from the following sources:

- EPA pass-thru 103 grant for the PM 2.5 air monitoring program \$14,500.
- Administrative fees and overhead and indirect (intrafund) charges from restricted accounts to offset expenses of the employees working within the mobile source programs (\$237,899 Fund 422, \$27,085 Fund 420, and \$35,117 Fund 423).
- Interest earned and miscellaneous revenue.

²Expenditures under Administration include administrative, management and general support, overhead/indirect (intrafund) expenses, and air monitoring activities under the PM2.5 program related to stationary source emissions.

Variances - Budget Account Line Items with Variances

Greater than 15% / \$2,500



General Fund - Revenue:

Description	Account No.	Increase/ (Decrease)	+/-15%	Explanation
Air Toxics Hot Spot Fees - State Mandated Program	82-2604	\$50,600	538%	The updated 2015 risk assessment guidelines requires a reevaluation of all facilities subject to AB2588. With those reevaluations, a number of companies will be charged fees as 'unprioritized' facilities until their facility risk is determined. Due to the new state guidelines Rule 4.9 needs to be revised in order to adopt fees in a few categories that are currently missing. About a third of the projected revenue will be paid to the ARB in accordance with state law.
Asbestos Program	82-2607	\$21,500	116%	The Board approved a fee increase in July 2015 to help with the cost recovery in this program.
Source Testing	82-2611	(\$22,250)	-22%	Based on the reduction of required source test revenue in 2014/2015, the District is reducing the budget projections for 2015/2016.
Ag Engine Registrations	82-2612	\$17,150	27%	It is estimated that 2015/2016 will begin with approximately 730 active registrations. Because of compliance deadlines, we anticipate approximately 100 engines will be modified or replaced. New engine prices and drought may affect registrations.
Mutual Settlement Program	82-3300	(\$50,000)	-30%	Based on trend in 2014/2015 and anticipated settlements for 2015/2016.
PERP (state revenue pass through)	82-5500	\$24,000	32%	Based on number of renewals and new applications listed in the ARB's database for 2015.
EPA 103 PM 2.5 Grant	82-5670	\$8,658	60%	EPA has awarded additional funds to assist in the operation of the EPA monitoring network.
Administrative/Intrafund Transfers	82-6390	\$40,055	15%	Based on projected overhead and indirect costs to move from Fund 422 DMV AB2766. Also includes administrative fees from both DMV funds of 5% of revenue received. New in 2015/2016 we are asking for funds from Solano Co. property tax to assist in the purchase hybrid or electric vehicle, and \$10,000 for a public education intern.
Transfer Funds from Reserves	n/a	\$27,928	100%	Requesting to move funds from equipment reserves and special program/project reserves to assist in replacing a fleet vehicle.

General Fund - Expenditures:

Retirement	86-1201	(\$88,800)	-31%	For the last three years the District has been paying off the pension side fund which is paid out of this account. The side fund is now paid off, and as such, expenditures show a decrease.
OPEB (health pay-as-you-go & trust fund)	86-1301	\$16,590	19%	Expected increase in the Annual Required Contribution for the 2015/2016 OPEB contribution based on 6/30/13 OPEB actuarial report.

Description	Account No.	Increase/ (Decrease)	+/-15%	Explanation
General Fund - Expenditures: (Continued)				
Maintenance of Equipment	86-2271	(\$4,600)	-20%	Based on budgeted expenditures for 2015/2016.
Indirect/Overhead A-87 Costs JPA Yolo Co.	86-2420	\$3,000	20%	Based on proposal to pay a flat fee based on prior year trends.
Auditing and Fiscal Services	86-2421	\$7,200	24%	The increase in costs for 2015/2016 is due to the need to have an OPEB actuarial valuation report.
Information Services	86-2422	\$7,200	15%	Additional costs added for website design.
Professional & Specialized Services	86-2429	\$40,750	98%	Combination of increases using this account include pass-thru to ARB under the AB2588 Air Toxic Hot Spots program (from \$2,900 to \$21,000); and intern program (from \$18,000 to \$25,000).
Small Tools & Minor Equipment	86-2520	\$18,050	388%	FY 2015/2016 starts the rotations of replacement computers for employees. Also additional money was added under the final budget due to ergonomic needs for employees as recommend by recent assessments and also the addition of external backup systems for two servers.
Equipment	86-4300	\$16,000	36%	Replacement of two vehicles.
Appropriation for Contingency	86-9900	\$82,847	41%	Unassigned cash for use in 2015/2016 with Board approval.
Mobile Source Program (DMV AB2766) - Revenue:				
Fund Balance Available	n/a	(\$40,101)	-16%	Contingency moves from prior year to current year as part of the fund balance available, and includes any extra revenue and/or expenditure savings.
Mobile Source Program (DMV AB2766) - Expenditures:				
Vacation/Payroll Buyback Program	86-1107	\$2,720	42%	Based on budgeted expenditures for 2015/2016.
Retirement	86-1201	(\$25,000)	-25%	For the last three years the District has been paying of the pension side fund which is paid out of this account. The side fund is now paid off, and as such, expenditures show a decrease.
Other Miscellaneous Benefits	86-1600	\$3,180	16%	Cafeteria benefit dollars for employees are paid from this account. We projected an increase of 7% in medical benefits which affects the benefit amount. Assumption in demographics (marital status and dependents) also affect the costs.
Maintenance - Equipment	86-2271	(\$4,800)	-27%	Based on budgeted expenditures for 2015/2016.
Auditing and Fiscal Services	86-2421	\$2,800	100%	The increase in costs for 2015/2016 is due to the need to have an OPEB actuarial valuation report.
Information Services	86-2422	\$11,510	355%	Additional costs added for website design.
Professional & Specialized Services	86-2429	(\$28,900)	-35%	Based on budgeted expenditures for 2015/2016 which includes a decrease in funds used toward the database enhancement project.
Small Tools and Minor Equipment	86-2520	\$2,900	138%	Replacement computers and workstation upgrades due to ergonomic needs.
Special Expense-Other	86-2559	(\$2,600)	-15%	Based on budgeted expenditures for 2015/2016, which includes special projects and programs.

Description	Account No.	Increase/ (Decrease)	+/-15%	Explanation
Mobile Source Program (DMV AB923) - Revenue:				
Fund Balance Available	n/a	\$512,849	35%	Available grants funds were not dispersed in 2014/2015 and increases the cash available in 2015/2016.
Mobile Source Program (DMV AB923) - Expenditures:				
Administrative/Intrafund Transfers	86-2420	\$500,000	38%	An increase from the proposed to final includes up to \$75,000 to transfer to the General Fund to be able to pay the ARC into the OPEB Trust earlier if needed. Fund 423 AB923 will be paid back by the General Fund by mid-year.
AB923 Grant Program	86-3200	\$75,525	286%	Increase based on available funding for the grant program.
Solano County Property Tax - Revenue and Expenditures:				
Administrative/Intrafund Transfers	86-2420	\$40,000	163%	Recommended to use funds to assist the District in the purchase of a low or zero emission vehicle for \$30,000; and to fund one public information intern for 2015/2016 \$10,000.
Clean Air Funds	86-3102	(\$100,000)	-25%	The decrease is associated with additional RDA pass-thru money received in FY ending 2012/2013 due to the RDA's being dissolved, and as such, the District was able to increase CAF available in 2014/2015 for grants.
Public Outreach (website / publications)	86-2422 / 2460	\$14,750	590%	Requesting \$19,250 for fiscal year 2015/2016 to increase the District's efforts to promote the Spare the Air Program (ozone) and Clean Transportation (Ozone and PM2.5) or other programs related to the reduction of mobile source emissions which includes \$15,000 toward website upgrades.
Appropriation for Contingency	86-9900	(\$19,765)	-5%	Unassigned cash for use in 2015/2016 if board approved.

Yolo-Solano AQMD's Revenue and Expenditure Account Descriptions

REVENUE

<u>Account Number</u>	<u>Account Name</u>	<u>Brief Description</u>
82-2600	Renewal Permit Fees	Stationary source annual renewal fees.
82-2601	New Permit Fees	Stationary source new permit fees.
82-2604	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 (AB2588).
82-2606	Agricultural Burning - Permit Fees	Fees related to the agricultural burn program.
82-2607	Asbestos Notification and Demolition Fees	Fees related to 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.
82-5490	State of California Department of Motor Vehicles and State Air Resources Board (ARB)	Assembly Bill 923. Additional \$2.00 Vehicle Surcharge on motor vehicles registered in the District. Designated for release under programs/projects as allowed under legislation and Board approval. Also used for ARB's subvention grant.
82-5500	State of California Department of Motor Vehicle and/or Other State Agencies	DMV AB2766 revenue based on vehicles registered in the District (\$4 per vehicle); PERP pass-through from the ARB; and any miscellaneous state revenue.
82-5670	Federal Revenue	Pass-thru revenue for the EPA 103 PM2.5 grant program and the EPA 105 grant program.
82-5711	Redevelopment Pass Thru from Solano County	Revenue received under Solano County property tax allotments.
82-5820	Solano County Property Tax	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 Funds 420/422/423.
82-6399	Penalty Assessments	Penalties charges against delinquent payments.
82-7700	Other Revenue	Miscellaneous account for other revenue.
82-7705	Stale Date Warrants	Warrants over six months old that have not been cashed.

EXPENDITURES

<u>Account Number</u>	<u>Account Name</u>	<u>Brief Description</u>
86-1102	Extra-help	Wages paid to extra-help employees.
86-1103	Overtime	Overtime wages paid to employees.
86-1107	Payroll payout/Vacation buy back	Terminating employees receive certain leave accrual payouts, and used for management vacation buy-back.
86-1201	Retirement	Pension payments to CalPERS.
86-1203	Medicare Tax	Payroll tax.
86-1300	Employee Group Insurance	Health, dental and vision coverage, and also group life insurance and long-term disability coverage.
86-1301	OPEB	Contribution to CalPERS Trust and pay-as-you-go costs for retiree's health insurance coverage.
86-1400	Unemployment Insurance	Payroll tax.
86-1500	Workers Compensation Insurance	Payments to YCPARMIA.
86-1600	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.
86-2050	Clothing & Personal Supplies	Safety boots, clothing and accessories.
86-2090	Communications	Telephone and mobile phone expenses.
86-2130	Food	Food.
86-2170	Household Expense	Common expenses to maintain the office.
86-2171	Household Expense-Contracts	Janitorial service.
86-2202	Insurance - Liability	PARMIA/General & Auto.
86-2271	Maintenance-Equipment	Maintenance agreements, maintenance on vehicles, computers, other equipment.
86-2272	Maintenance-Bldgs. & Improvements	Items such as locksmith services, building improvements/repairs and fire extinguisher refills.
86-2300	Medical Supplies	First aid supplies.
86-2330	Memberships	Memberships.

EXPENDITURES (Continued)

<u>Account Number</u>	<u>Account Name</u>	<u>Brief Description</u>
86-2360	Miscellaneous Expense	This category is for misc. expenses that do not fall under any established account number.
86-2391	Office Expense-Postage	Postage and shipping expenses.
86-2392	Office Expense - Printing	Items such stationary supplies, forms and brochures.
86-2420	Administrative Indirect Cost	A-87 Cost Allocation with Yolo County and Intrafund charges from Fund(s) 420, 422, 423 to Fund 421.
86-2421	Auditing & Fiscal Services	Yolo County Auditor charges and independent audit.
86-2422	Information Services	Network, computer support and internet costs.
86-2423	Legal Services	Attorney fees.
86-2425	Medical Services	Pre-employment physicals and medical examinations.
86-2429	Professional & Specialized Services	Contracts and services provided including advertising.
86-2430	Trustees, Comm., Directors	Payment for District Board of Directors and Hearing Board Members attendance at District related meetings.
86-2460	Publications	Public and legal notices, and job announcements and advertisements.
86-2491	Rents & Leases - Equipment	Rental or leased equipment.
86-2492	Rents & Leases - Bldgs.	Office Lease and public event booth rental.
86-2520	Small Tools & Minor Equipment	All equipment purchased under \$3000 and not considered a capital asset.
86-2548	Training Expense	All training.
86-2559	Special Dept. Expense - Other	Items such as specialty gases, plaques, public events, employee and board awards.
86-2610	Transportation & Travel	Transportation and travel.
86-2611	Vehicle Fuel	Fuel account.
86-2640	Utilities	Gas and electricity.
86-3200	Clean Air Funds and AB923 Grants	DMV grant programs.
86-3201	Clean Air Funds Grants	Solano County property tax grant program.
86-4300	Equipment	Purchases of capital assets.
86-3360/3500	Capital Lease/Interest Account	Capital lease equipment.
86-9900	Appropriation for Contingency	Contingency account.



♦Yolo-Solano AQMD♦
