



AGENDA:
Special Meeting/Public Hearing for Fiscal Year
2011-12 Proposed Budget
PCAPCD Board of Directors Meeting
Thursday, June 9, 2011, 3:00P.M.
Placer County Board of Supervisors' Chambers
175 Fulweiler Avenue, Auburn, California

Call to Order

Flag Salute

Roll Call / Determination of a Quorum

Public Hearing for Proposed Fiscal Year 2011-12 Budget

Staff will present the proposed Fiscal Year 2011-12 budget at a public hearing. No action to be taken at this time, information only.

Adjourn Public Hearing

Next Regular Board Meeting: - Thursday, June 9, 2011, 3:00 PM

Opportunity is provided for the members of the public to address the Board on items of interest to the public, which are within the jurisdiction of the Board. A member of the public wanting to comment upon an agenda item that is not a Public Hearing item should submit their name and identify the item to the Clerk of the Board.

Placer County Air Pollution Control District is committed to ensuring that persons with disabilities are provided the resources to participate fully in its public meetings. If you require disability-related modifications or accommodations, please contact the Clerk of the Board. All requests must be in writing and must be received by the Clerk five business days prior to the scheduled meeting for which you are requesting accommodation. Requests received after such time will be accommodated only if time permits.

District Office Telephone – (530) 745-2330



Board Agenda

Public Hearing

Agenda Date: June 9, 2011

Prepared By: Jane Bailey, Fiscal Officer

Topic: Proposed Preliminary Budget FY 2011-12

Action Requested: Conduct a Public Hearing in accordance with the Health and Safety Code § 40131 (3) (A) that states: “The district shall notice and hold a public hearing for the exclusive purpose of reviewing its budget and of providing the public with the opportunity to comment upon the proposed district budget.” The District also seeks guidance from the Board regarding any changes to this Proposed Preliminary Budget for FY 2011-12 for inclusion into the Final Proposed Budget, which will be presented to your Board for adoption on August 11, 2011.

Discussion: Attachment #1 is a pie chart that shows the segments and percentages of each funded item for the Proposed Preliminary Budget for FY 2011-12. Attachment #2 is the Funds Available and Fund Usage for the Proposed Preliminary Budget for FY 2011-12 in comparison to the Approved Revised Final Budget for FY 2010-11. Attachment #3 is a listing of all the expenditures proposed for the Preliminary Budget FY 2011-12. Attachment #4 is the Summary of the Proposed Budget for FY 2011-12 in comparison to the Approved Budget for FY 2010-11 and the Projected Revenue and Expenditures for FY 2010-11 by line item. Attachment #5 are letters received from some of the jurisdictions represented on the Board requesting a reduction in the Per Capita Assessment and Attachment #6 is the background information on the assessment.

The District offers the following analysis of the differences between the *Proposed Preliminary Budget* for FY 2011-12 and the *Approved Revised Budget* for FY 2010-11. Please use Table 1 (see Attachment #2) for the following discussion.¹

Proposed Revenue: \$2,052,581 net decrease of the approved FY 2010-11 Budget for a total proposed Revenue of **\$3,285,403** in FY 2011-12 as compared to **\$5,337,984** in FY 2010-11. The net decrease, that includes the budget revisions in footnote #1, somewhat distorts the budget comparison by \$1,893,000. If the building purchase and relocation costs are removed from the Revenue for Fiscal Year 2010-11 the revenue is **decreased by \$159,581** as shown below:

- The District is proposing a \$5,895 decrease in permit revenue over the FY 2010-11 Budget.
- Interest is expected to be lower than previously budgeted by \$45,000.

¹The Approved Budget for FY 2010-11 has been revised three times since the original approval. It was revised once to include the purchase of the District Facility located at 110 Maple Street in Auburn (\$1,500,000), a second time to increase the District Relocation Budget from \$182,000 to \$361,500, and a third time to increase the Air Monitoring Equipment purchase from \$10,000 to \$41,500.

- An analysis of the Statewide Portable Equipment Registration Program (PERP) indicates a \$4,000 increase in revenue.
- The District does not expect to receive \$105,404 in Other Government Assistance in FY 2011-12.
- Burn/Land/Other Permit Revenue is expected to decrease by \$9,894.
- The Per Capita Assessment will decrease by \$407 based on the estimated population for calendar year 2011 at 50 cents per capita. This is an adjusted estimate reflecting the actual census in 2010.²
- A new source of revenue is shown in the FY 2011-12 Proposed Preliminary Budget. Revenue totaling \$10,419 is expected from the District's tenant – Helix Environmental Planning Inc. The lease agreement currently in effect will expire on December 31, 2011.
- Miscellaneous Revenue is expected to be \$7,400 lower in FY 2011-12 based on previous fiscal years.

Proposed Expenditures: There is a \$942,599 net decrease from the Approved Revised Budget for FY 2010-11 for a total proposed Expense of **\$3,747,173** for FY 2011-12. This excludes the purchase of the District's facility and equipment purchases totaling \$1,541,500.

- "Salaries and Benefits" are proposed to be \$81,102 higher in FY 2011-12. See the third bullet on page 11 of the enclosed Proposed Preliminary Budget for FY 2011-12 for a detailed explanation.
- "Supplies and Services" are proposed to be reduced by \$542,880 of which \$361,500 were earmarked for Relocation Costs in the Approved Revised Budget for FY 2010-11.
- "Clean Air Grants & Incentive Programs" are proposed to be \$480,821 lower than the Approved Revised Budget for FY 2010-11. This reduction is detailed in the second bullet on page 11 of Proposed Preliminary Budget for FY 2011-12.

The total proposed Revenue -- **\$3,285,403** for FY 2011-12 combined with the total projected "Fund Carry-Over" -- **\$902,377** from FY 2010-11 are the "Total Funds Available" -- **\$4,187,780**. (See the top half of the pie chart shown in Attachment #1.)

The total proposed Expenditures -- **\$3,747,173** for FY 2011-12 plus the projected Total Ending Fund Balance -- **\$440,607** for FY 2011-12 equal the "Total Fund Usage" -- **\$4,187,780**. (See the bottom half of the pie chart shown in Attachment #1.)

Summary of the Proposed Preliminary Budget for FY 2011-12: The Proposed Preliminary Budget for FY 2011-12 allows the District to cover its operational costs, maintain services and program delivery, and increase selected critical resource needs. See Attachment #4.

With this proposed budget the following scenario is expected:

²Note that some of the cities represented on the Board are requesting a reduction in the Per Capita Assessment for FY 2011-12. These letters were received May 31, 2011. See Attachment #5. A Per Capita background is included as Attachment #6.

- An Operations Ending Fund Balance of \$437,438 at June 30, 2012. Included in the \$437,438 is the Non-Tort Defense funding of \$90,000, a Reserve Fund of \$95,000 for contingencies, a Building Capital Maintenance Fund of \$50,000 and a Vehicle Replacement Fund of \$45,000. This is 11% of the District's Operational Budget.³
- \$10,000 is proposed in this budget for growing the Contingency (Reserve) fund to \$95,000.
- Newly proposed for FY 2011-12 is the Building Capital Maintenance Fund - \$50,000 earmarked for major repair costs to the District's facility such as painting, roof replacement, or other major structural repair costs.
- A \$15,000 increase to the Vehicle Replacement Fund is because the District proposes to set aside \$15,000 per fiscal year to purchase a new fleet vehicle every three years. Since the District fleet is no longer managed by Placer County and is *not paying replacement costs to the County*, the District has a need to set aside funds for the replacement of District Fleet vehicles beginning in FY 2012-13. If approved the Vehicle Replacement Fund will total \$45,000.
- The DMV Fund will be spent down to \$220, as previously planned, while providing for \$600,000 in Clean Air Grant Awards funded by the DMV vehicle surcharge.
- The Mitigation Fund will be spent down to \$2,949 (this does not reflect the revenue from mitigation plans that have not yet been approved by the Land Use Authorities). Prior to the 2012 Clean Air Grant Program the District will present a budget revision to the Board requesting that the available mitigation funds be allocated to the Clean Air Grant Program. In the Proposed Budget for FY 2011-12, \$125,000 is earmarked for Clean Air Grants and \$20,000 for the Woodstove Replacement Incentive Program.
- This proposed preliminary budget for FY 2011-12 provides **\$3,747,173** to sustain the existing programs. No new programs are proposed in this fiscal cycle.

Fiscal Impact: The Proposed Preliminary Budget for FY 2011-12 for \$4,187,780 is 36.36% lower (or 10.66% lower if the building purchase - \$1,500,000 and relocation costs – \$361,500 are excluded) than the budget presented and approved in FY 2010-11. This proposed budget has \$581,099 less in expenditures (13.43% lower if the building purchase and relocation costs are excluded) than the FY 2010-11 budget and still covers the operational costs, maintains services and program delivery, and provides for selected critical resource needs. It also maintains an Operations Fund Balance of \$437,438 which is 11% of the total Proposed Operations Budget for FY 2011-12.

Recommendation: The purpose of presenting the Board this proposed preliminary budget is that the District is required by the Health and Safety Code in section 40131(3)(A) to do the following:

“The district shall notice and hold a public hearing for the exclusive purpose of reviewing its budget and of providing the public with the opportunity to comment upon the proposed district budget.”

³It is recommended by the National Advisory Council on State and Local Budgeting for the Government Finance Officers Association to maintain an ending balance in the operation fund of between 5 and 15% in case of any unforeseeable catastrophic event.

And in 40131(3)(B) to do the following:

“The public hearing required to be held pursuant to this paragraph shall be held separately, by a period of not less than two weeks, from the hearing at which the district adopts its budget.

It is recommended that your Board provide direction to Staff regarding any changes to this Proposed Preliminary Budget for FY 2011-12 for inclusion into the Final Proposed Budget which will be presented to your Board for its approval and adoption at the regular Board Meeting held on August 11, 2011 at 2:30 PM in the Board of Supervisors Chambers located at 175 Fulweiler Avenue, Auburn, California.

Enclosure (s) #1: Proposed Preliminary Budget FY 2011-12

Attachment(s) #1: Pie Chart showing Funds Available and Fund Usage
#2: Table showing comparison of Proposed Preliminary Budget FY 2011-12 and the Revised Final Budget FY 2010-11
#3: List of Expenditures for the Proposed Preliminary Budget FY 2011-12
#4: Budget Summary for the Proposed Preliminary Budget FY 2011-12, the Revised Final Budget FY 2010-11 and the Projected Revenue and Expense for FY 2010-11
#5: Letters received from the following jurisdictions on May 31, 2011: City of Roseville, Rocklin, Lincoln, Colfax and the Town of Loomis.
#6: Per Capita Assessment Background

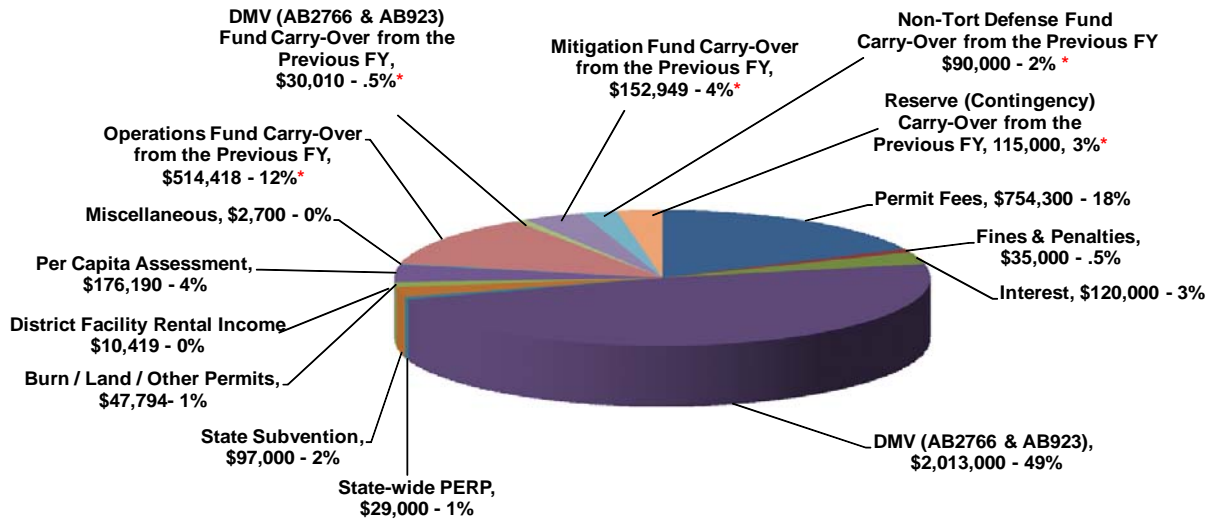
Attachment #1

SUBJECT:

**Proposed Preliminary Budget for Fiscal Year 2011-12
Pie Charts for Funds Available and Fund Usage**

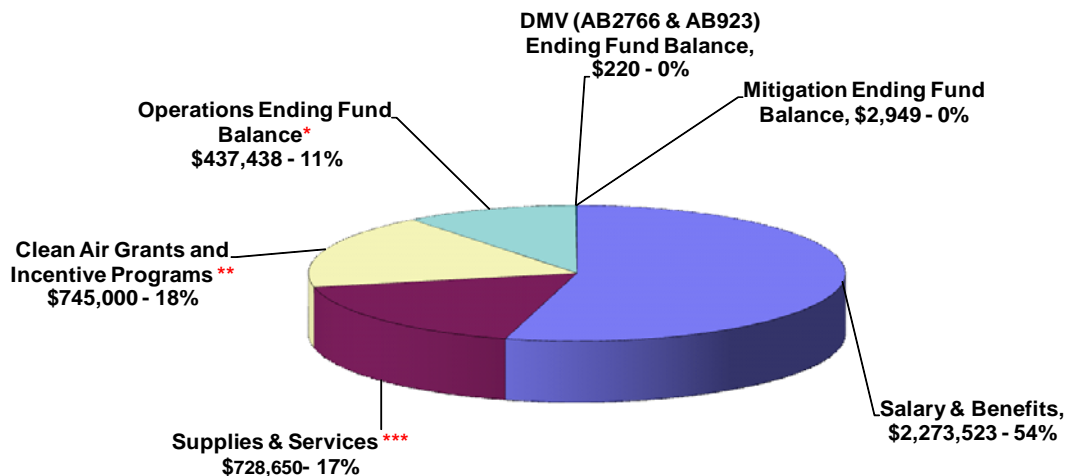
PROPOSED PRELIMINARY BUDGET FOR FY 2011-12

Consolidated Funds Available for FY 2011-12 Proposed Budget Total Funds Available - \$4,187,780



*The total projected "Fund Carry-Over" from the previous fiscal year is \$902,377 (based on projected revenue and expenditures from FY 2010-11). The "Operations Fund Carry-Over" includes \$90,000 - Non-Tort Defense Fund; \$85,000 - Reserve (Contingency) and \$30,000 - Vehicle Replacement Fund.

Consolidated Fund Usage for FY 2010-11 Proposed Budget Total Fund Usage - \$4,187,780



* The Operations Ending Fund Balance includes \$90,000 Non-Tort Defense Fund , \$95,000 Reserve (Contingency), \$50,000 Building Capital Maintenance Fund, and \$45,000 Vehicle Replacement Fund.

** "Clean Air Grants and Incentive Programs" are comprised of: CAGs -\$725,000; and \$20,000 for the Woodstove Replacement Program.

***The "Services" contained in "Supplies and Services" are for contracted services that augment the Staff in programs and projects. These services include the Biomass Project - \$63,450; Spare the Air Program - \$12,434; Legal Support - \$60,000; Gasoline Dispensing Facility Inspections - \$15,555; Database Programming Software Support - \$55,000; Air Permitting Specialist Support - \$97,092; and \$54,635 for special services that augment the existing Staff. Additional costs in the form of Liability Insurance - \$20,500; Air Monitoring Equipment Maintenance - \$20,000; District Facility Operations and Maintenance - \$30,841; Other District Participation - \$20,000 and Air Monitoring Site Construction - \$10,000 are included. The District also contracts with the County for an additional \$289,713 in administrative services.

Attachment #2

SUBJECT:

**Comparison Between
Proposed Preliminary Budget for FY 2011-12 and the
Approved Revised Budget for FY 2010-11**

**COMPARISON OF THE PROPOSED FY 2011-12
TO THE
REVISED FINAL BUDGET FOR FY 2010-11**

Table 1

	Recap of Proposed Budget FY 2011-12	Recap of Revised Budget FY 2010-11	Difference	Percentage Change
Funds Available:				
Permit Fees	754,300	760,195	(5,895)	-0.78%
Fines & Penalties	35,000	35,100	(100)	-0.28%
Interest	120,000	165,000	(45,000)	-27.27%
DMV (AB2766, AB923)	2,013,000	2,013,000	-	0.00%
Statewide PERP	29,000	25,000	4,000	16.00%
State Subvention	97,000	97,000	-	0.00%
Other Government Assistance	0	105,404	(105,404)	-100.00%
Mitigation Fees		0	-	
Burn / Land / Other Permits	47,794	57,688	(9,894)	-17.15%
Per Capita Assessment	176,190	176,597	(407)	-0.23%
District Facility Rental Income	10,419		10,419	
Miscellaneous	2,700	10,000	(7,300)	-73.00%
Private Sector Project/Program Funding		31,500	(31,500)	-100.00%
From Settlement Fund		1,500,000	(1,500,000)	-100.00%
From Cost Recovery Litigation Funds		361,500	(361,500)	-100.00%
TOTAL REVENUE	3,285,403	5,337,984	(2,052,581)	-38.45%
Operations Fund Carry-Over from the Previous FY*	719,417	877,867	(158,450)	-18.05%
Non-tort Defense Fund Carry-Over from the Previous FY*				
Reserve (Contingency) Carry-Over from the Previous FY*				
Vehicle Replacement Fund*				
DMV (AB2766, AB923) Carry-Over from the Previous FY**	30,010	234,151	(204,141)	-87.18%
Mitigation Fund Carry-Over from the Previous FY	152,949	130,385	22,564	17.31%
TOTAL FUND CARRY OVER	902,377	1,242,403	(340,026)	-27.37%
TOTAL FUNDS AVAILABLE	4,187,780	6,580,387	(2,392,607)	-36.36%
Fund Usage:				
Salary & Benefits	2,273,523	2,192,421	81,102	3.70%
Supplies & Services	728,650	1,271,530	(542,880)	-42.69%
Clean Air Grants & Incentive Programs	745,000	1,225,821	(480,821)	-39.22%
Building Purchase		1,500,000	(1,500,000)	-100.00%
Equipment		41,500	(41,500)	-100.00%
TOTAL EXPENSE	3,747,173	6,231,272	(2,484,099)	-39.87%
Operations Ending Fund Balance ***	437,438	348,803	88,635	25.41%
Non-Tort Defense Ending Fund Balance ***				
Reserve (Contingency) Ending Fund Balance ***				
Vehicle Replacement Fund***				
Building Capital Replacement Fund***				
DMV (AB2766 & AB923) Ending Fund Balance**	220	298	(78)	-26.25%
Mitigation Ending Fund Balance	2,949	14	2,935	20963.92%
TOTAL ENDING FUND BALANCE	440,607	349,115	91,492	26.21%
TOTAL FUND USAGE	4,187,780	6,580,387	(2,392,607)	-36.36%

* Included in the Operations Fund Carry-Over from the previous fiscal year:

	FY 2011-12	FY 2010-11
Operations Fund	\$ 514,417	\$ 687,867
Non-Tort Defense Fund	90,000	90,000
Reserve (Contingency Fund)	85,000	85,000
Vehicle Replacement Fund	30,000	15,000
Total*	\$ 719,417	\$ 877,867

** Includes co-funding for approved DMV projects.

*** Included in the Operations Ending Fund Balance:

Operations Fund	\$ 157,438	\$ 143,803
Non-Tort Defense Fund	90,000	90,000
Reserve (Contingency Fund)	95,000	85,000
Vehicle Replacement Fund	45,000	30,000
Building Capital Maintenance Fund	50,000	
Total***	\$ 437,438	\$ 348,803

Attachment #3

SUBJECT:

**List of Expenditures for Fiscal Year 2011-12
Proposed Preliminary Budget**

PLACER COUNTY AIR POLLUTION CONTROL DISTRICT Listing of Programs, Projects and District Enhancements for the PROPOSED BUDGET FOR FY 2011-12		PROPOSED EXPENDITURES FY 2011-12	ENCUMBERED FUNDS IN FY 2010-11
Item #	Name:	Amount	Amount
1	Public Outreach/Public Relations Assistance - Endicott Contract	-	15,000
2	Participation with Other Districts	20,000	
3	Spare the Air Program (#5) - CMAQ Match	12,434	
4	Air Monitoring Projects - site development	10,000	
5	Jones & Stokes Contract (Indirect Source Rule Analysis/Rule Development PH II)	-	13,191
6	Richard Countess Contract (UPRR Air Monitoring Projects)	-	3,189
7	TIAX Contract (Mobile Source Analysis Support)	-	37,963
8	Sierra Research (Railyard Emission Analysis)		5,030
9	Air Permitting Specialists Contracts (DMV qualified tasks)	13,000	2,840
10	Endicott Contract - Public Relations (Biomass Project)	5,000	4,976
11	SIG Contract (Biomass Project Support)	20,000	
12	TSS Associates Contract (Biomass Project Support)	20,000	-
13	Air Permitting Specialists Contract (Operations Support - includes \$18,450 - Biomass Project)	95,000	2,092
14	Database Programming Software Support	55,000	
15	Entek Contract (Grab Sampling Incident Response)	-	7,000
16	NSAQMD MOU (Tahoe Inspections)	2,146	3,454
17	CAP to CAP attendance - APCO and 1 director	7,000	
18	Mowdown (Mower replacement program)	5,000	
19	Technology Assessment Program (TAP)	-	30,000
20	County Administrative Services/Personnel/Fleet Maintenance	133,596	
21	County DA MOU - enforcement services	10,000	
22	County Council MOU	20,000	
23	Supplemental Legal Support	30,000	
24	County IPSS (Data Processing) Charges	72,862	
25	Biannual Audit	7,700	
26	AG Dept MOU - Gasoline Dispensing Facility Inspections	15,555	
27	Vehicle Replacement Fund*	15,000	
28	Building Capital Maintenance Fund**	50,000	
29	Operations Contingency Fund***	10,000	
30	District Liability Insurance	20,500	
31	Extra-Help - Permitting/Inspection Specialist/1,235 hours	101,898	
32	Extra-Help - Planning Support/960 hours	39,467	
33	GASB 45 - Provision for Post Employment Benefits	117,250	-
34	Core of the Operational Budget (Minus the above projects and service contracts)	890,643	
35	Core of the DMV Fund Budget (Minus the above projects and \$600,000 in CAGs)	1,203,123	
36	Core of the Mitigation Fund Budget (Minus the above projects and \$125,000 in CAGs)	-	
37	Woodstove Replacement Incentive Program****	20,000	
38	Clean Air Grants for 2011****	725,000	2,101,919
TOTAL		3,747,173	2,226,655

*In the two previous fiscal years, the District has funded \$30,000 (\$15,000/year) for vehicle replacements.

**New this year is the Building Capital Maintenance Fund established to cover any unforeseen major building expenditures.

***The District is proposing to add \$10,000 to grow the Operations Contingency Fund to \$95,000.

****The Clean Air Grants and Incentive Programs will be increased by available Mitigation Funds in February 2012. Because the District can not yet determine the amount that will be available from the Mitigation Plans, they are not included in this budget.

COLOR CODED KEY:

\$ 55,434	DMV FUNDED ELIGIBLE PROJECTS AND SERVICES
63,450	BIOMASS PROJECT EXPENDITURES
145,696	OPERATIONS SUPPORT AND PROJECTS
289,713	COUNTY SERVICES
2,447,880	DISTRICT LABOR AND OVERHEAD COSTS
745,000	CLEAN AIR GRANTS AND WOODSTOVE REPLACEMENT PROGRAM
\$ 3,747,173	TOTAL PROPOSED EXPENDITURES FOR FY 2011-12

Attachment #4

SUBJECT:

**Proposed Preliminary Budget Fiscal Year 2011-12
Budget Summary
Comparison between Projected Revenue and Expenditures
To Budgets for FY 2010-11 and FY 2011-12**

**PLACER COUNTY AIR POLLUTION CONTROL DISTRICT
FY 2011-12 BUDGET SUMMARY COMPARISON
CONSOLIDATED FUND SUMMARY**

	APPROVED CONSOLIDATED BUDGET FY 2010-11	REVISED CONSOLIDATED BUDGET FY 2010-11	PROJECTED CONSOLIDATED FUNDS FY 2010-11 6/30/2011	PROPOSED CONSOLIDATED BUDGET FY 2011-12	
REVENUE:					
Permit Fees	760,195	760,195	809,354	754,300	
Fines/Settlement Funds	35,100	35,100	86,390	35,000	***
Interest	165,000	165,000	120,000	120,000	***
State Subvention	97,000	97,000	106,424	97,000	
Statewide PERP	25,000	25,000	58,865	29,000	
Other Government Assistance	105,404	105,404	-39,596	-	
State Vehicle Surcharge Fee (AB2766 & AB923)	2,013,000	2,013,000	2,026,000	2,013,000	
Burn / Land / Other	57,688	57,688	57,782	47,794	
Mitigation Fees	0	0	160,985	-	
Per Capita Assessment	176,597	176,597	176,597	176,190	
Miscellaneous	10,000	10,000	1,202	2,700	
From Litigation Cost Recovery Fund	182,000	361,500	361,500	-	***
District Facility Rental Income				10,419	
From Settlement Fund		1,500,000	1,500,000		
Private Sector-Project Participation		31,500	31,500	-	
Total Revenue:	3,626,985	5,337,984	5,457,002	3,285,403	
TOTAL FUND CARRY-OVER PREVIOUS FY	1,242,402	1,242,402	1,272,401	902,377	
TOTAL FUNDS AVAILABLE	4,869,387	6,580,386	6,729,403	4,187,780	
EXPENSE:					
Salary & Benefits	2,192,422	2,192,422	2,126,134	2,273,523	
Supplies & Services	1,092,030	1,271,530	956,499	728,650	
Clean Air Grants and Incentive Programs	1,225,821	1,225,821	1,203,821	745,000	
Bldg Purchase		1,500,000	1,500,000	-	
Equipment	10,000	41,500	40,572	-	
Total Expense:	4,520,273	6,231,272	5,827,026	3,747,173	
Ending Fund Balance:	349,114	349,114	902,377	440,607	*
Unencumbered (encumbered) Current			-		
TOTAL FUND BALANCE	349,114	349,114	902,377	440,607	
Encumbered Funds (Funds already committed)	1,983,941	1,983,941	2,226,655	2,226,655	**
TOTAL FUND BALANCE	2,333,055	2,333,055	3,129,031	2,667,261	

*The "Ending Fund Balance" for the proposed FY 2011-12 budget is the consolidated total for the following fund balances:

Operations Fund	\$	157,438
Building Capital Maintenance Fund		50,000
Vehicle Replacement Fund		45,000
Contingency (Reserve) -- sub fund to Operations		95,000
Non-Tort Defense Fund--sub fund to Operations		90,000
DMV (AB2766 & AB923) Fund		220
Mitigation Fund		2,949
Ending Fund Balance Totals	\$	440,607

**The "Encumbered Funds" for the approved FY 2011-12 budget are consolidated from the following:

Operations Fund	\$	47,522
DMV (AB2766 & AB923) Fund		1,628,350
Mitigation Fund		550,783
Encumbered Funds	\$	2,226,655

*** Note that the Settlement Revenue from the SPI case (settlement was received on July 24, 2007) of \$2,742,500 has been removed to a separate sub-fund; likewise, the recovered litigation costs for the same case of \$700,000 has also been moved to a sub-fund in order to separate these funds from the District's Operational Budget. The funds for the purchase of the building were taken from the Settlement Fund (\$1,500,000) leaving \$1,242,500 and \$361,500 was taken from the Litigation Cost Recovery Fund for "Relocation Costs" leaving \$338,500 in that fund. Interest derived from those funds is included in the Operations Fund for FY 2011-12.

Most of the encumbered funds (97.86%) are Clean Air Grants that have been awarded to Placer County recipients over the last three fiscal years. The funds have not been dispersed because the contracted clean air projects have not been completed.

Attachment #5

SUBJECT:

**Letters Received for the Purpose of Requesting a
Reduction in the Per Capita Assessment for FY 2011-12**



City Manager
311 Vernon Street
Roseville, California 95678-2649

May 31, 2011

Mr. Tom Christoff, APCO
Placer County Air Pollution Control District
3091 County Center Drive, Suite 240
Auburn CA 95603

Dear Tom:

As you know, special districts and local governments continue facing serious economic stresses. The City of Roseville has reduced costs wherever possible, including, de-funding positions, and reducing supplies, services, travel, etc. The economic situation is such that in spite of these efforts, we must continue to seek ways to reduce spending in order to maintain a balanced budget.

Since 2007, the City of Roseville has realized a 15 percent decrease in sales and property tax revenue and a 60 percent reduction in license and permit fees while other revenue streams have also declined. In light of these circumstances, the City requests that the APCO Board of Directors consider reinstating the FY 2009/10 reduced per capita fee structure as part of FY 2011/12 per capita fee assessment. Furthermore, the City requests that the fee remain at that level until the economy improves. We recognize the services provided by the District, however the budget situation is regrettable and we do not make this request lightly. The City is pursuing similar reductions in contributions to other organizations of which it is a member.

Your consideration of this request is appreciated and we understand it requires consideration by the full Board. If you have questions or concerns please contact Mark Morse, Environmental Coordinator with the City Manager's Office, at (916)774-5334.

Sincerely,

A handwritten signature in blue ink, appearing to read "Rob Jensen".

Rob Jensen, Assistant City Manager
City of Roseville

cc: Ray Keridge, City Manager, City of Roseville
Carol Garcia, Councilmember, City of Roseville



City of Rocklin

3970 Rocklin Road
Rocklin, California 95677-2720
O | 916.625.5000
F | 916.625.5095
www.rocklin.ca.us

May 31, 2011

Mr. Tom Christoff, APCD
Placer County Air Pollution Control District
3091 County Center Drive, Suite 240
Auburn, CA. 95603

Dear Tom,

The City of Rocklin, along with other local agencies within Placer County and the State, continue to struggle with the economic downturn that has affected all aspects of government operations. Not only are we forced to reduce costs internally, we must also look at possible cost reductions in our funding relationships with other Agencies in order to achieve a balanced budget.

To that end, the City requests that the APCD Board of Directors consider reinstating the FY 2009/2010 reduced per capita fee structure as part of FY 2011/2012 per capita fee assessment. The City also requests that there be no fee increases until the economic conditions in the region improve.

The City recognizes the importance of the APCD and appreciates their consideration of this request under the current circumstances. If you have any questions or concerns please contact David Mohlenbrok, Senior Planner with the Community Development Department, at (916) 625-5160.

Sincerely,

A handwritten signature in cursive script that reads "Ricky A. Horst".

Ricky A. Horst
City Manager

cc: Peter Hill, City Councilmember

Information 916.625.5000

Administrative Services 916.625.5000 • City Hall 916.625.5560 • Community Development 916.625.5100
Community Services & Facilities 916.625.5200 • Fire 916.625.5300 • Police 916.625.5400 • Public Works 916.625.5500



June 1, 2011

Mr. Tom Christoff, APCO
Placer County Air Pollution Control District
3091 County Center Drive, Suite 240
Auburn, CA 95603

Dear Tom,

As you are aware the City of Lincoln along with other jurisdictions in Placer County continue to struggle with the downturn in the economy and achieving a balanced budget. The City has experienced a significant reduction in revenues with the decline in property taxes, sales tax and a faltering housing market and finds it necessary to look for reductions in expenses. In light of these circumstances, the City would like to request that the APCD Board of Directors consider reinstating the FY 2009/10 reduced per capita fee structure for the upcoming 11/12/ fiscal year. We greatly appreciate the services provided by the District and regret that our financial condition makes such a request necessary at this time.

Your consideration of this request is appreciated and we recognize that it will require the review and approval of the Board. Should you have any questions please contact me at your convenience.

Sincerely,

Jim Estep, City Manager

cc: Stan Nader, Councilmember, City of Lincoln

City Hall
600 Sixth Street
Lincoln, CA 95648
(916) 434-2400
www.lincoln.ca.us

Administrative Services - City Manager's Office - Development Services
Fire - Library - Recreation - Police - Public Services

P.O. Box 702
33 S. Main Street
Colfax, CA 95713



CITY OF COLFAX

RECEIVED
MAY 31 2011
Placer County Air Pollution
Control District

530-346-2313
Fax 530-346-8214

Mayor Ken Delfino * P.O. Box 1690 * Colfax, CA 95713-1690 * 530.346.6539

May 26, 2011

Mr. Tom Christofk, APCO
Placer County Air Pollution Control District
3091 County Center Drive, Suite 240
Auburn, CA 95603

Dear Mr. Christofk:

As you know, local government continues to face serious economic stresses. The City of Colfax has reduced costs wherever possible, including de-funding positions, reducing supplies, services, travel, etc. The economic situation is such that in spite of these efforts, we must continue to seek ways to reduce spending in order to maintain a balanced budget.

Since 2007, the City of Colfax has realized a decrease in sales and property tax revenue and a reduction in license and permit fees while other revenue streams have also declined. In light of these circumstances, the City requests that the APCO Board of Directors consider reinstating the FY 2009/2010 reduced per capita fee structure as part of the FY 2011/2012 per capita fee assessment. Furthermore, the city requests that the fee remain at that level until the economy improves. We recognize the services provided by the District, however the budget situation is regrettable and we do not make this request lightly. The City is pursuing similar reductions in contributions to other organizations of which it is a member.

Your consideration of this request is appreciated and we understand it requires consideration by the full Board. If you have any questions or concerns, please contact our city manager, Bruce Kranz, at (530) 346-2313.

Respectfully submitted,

A handwritten signature in blue ink that reads "Kenneth A. Delfino". The signature is written in a cursive style and is positioned above the printed name and title.

Kenneth A. Delfino
Mayor

Cc. Council Members
Bruce Kranz, City Manager

TOWN OF LOOMIS



May 31, 2011

Mr. Tom Christofk, APCO
Placer County Air Pollution Control District
3091 County Center Drive, Suite 240
Auburn CA 95603

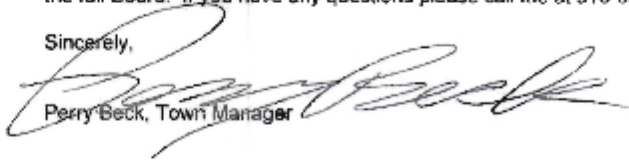
Dear Tom:

As you know, special districts and local governments continue facing serious economic stresses. The Town of Loomis has reduced costs wherever possible, including defunding positions, and reducing supplies, services, travel, maintaining 2009 wages etc. The economic situation is such that in spite of these efforts, it is necessary to continue to seek ways to reduce spending in order to maintain a balanced budget.

Since 2007, Loomis has realized a 20 percent decrease in sales tax and a 10 percent reduction in property tax revenues (those categories are over half of the General Fund revenues) while also experiencing a decline in other revenue streams. In light of these circumstances, the Town requests that the APCD Board of Directors consider reinstating the FY 2009/10 reduced per capita fee structure as part of FY11/12 per capita fee assessment. We recognize the services provided by the District, however the budget situation is regrettable and we do not make this request lightly. Help in holding down costs will probably be needed for a couple more years and know that the Town is pursuing similar reductions in contributions to other organizations of which it is a member.

Your consideration of this request is appreciated and we understand it requires action by the full Board. If you have any questions please call me at 916-652-1840.

Sincerely,


Perry Beck, Town Manager

(916) 652-1840 • (916) 652-1847
3865 Tanager Road • P.O. Box 1330 • Loomis, CA 95650

Attachment #6

SUBJECT:

Per Capita Assessment Background

Background on Air District “Per Capita” Assessment

Several of the District’s budgets up to and including the fiscal year 2002-03 budget displayed a systemic “deficit hole” within the operation (unrestricted) fund where the District was able to sustain operations only through unexpected revenue streams, such as fines and more “initial permits” than expected while also cutting costs by not filling positions. The District’s analysis showed that the “hole” that had existed over a number of fiscal years was an average of \$141,228.

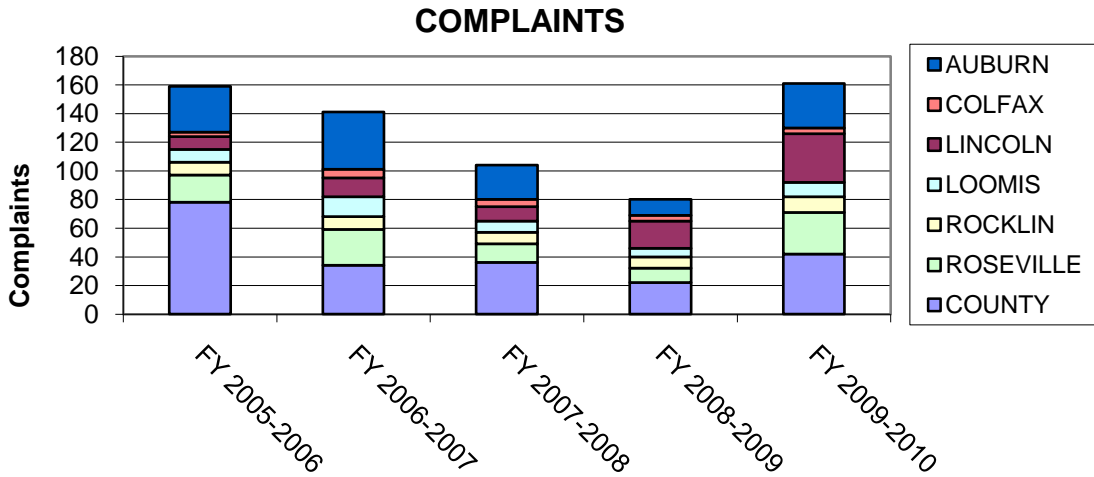
After considerable analysis and review, and engaging in discussions with the jurisdictions subject to the assessment prior to its enactment, the per capita assessment that is provided for by Section 40701.5 (b) of the California Health and Safety Code was selected by the District Board as the means to bring stability to the District’s finances. Health and Safety Code Section 40701.5(b) specifies that: 1) expenses of a district that are not met by the funding sources identified (grants, subventions, permit fees, penalties, and motor vehicle registration surcharge) shall be provided by an annual per capita assessment on the jurisdictions that make up the governing board; and 2) that any per capita assessment shall be imposed on an equitable basis.

The District Board adopted Resolution #02-20 on October 10, 2002, implementing an annual per capita assessment of \$.50 commencing in fiscal year 2003-04 to be levied annually upon those cities which have agreed to have a member on the District Board and on Placer County on an equitable per capita basis in accordance with Section 40701.5 (b) of the California Health and Safety Code. Prior to the adoption of the per capita assessment the District received no financial support from the jurisdictions within the county. The resolution ordered: “the annual per capita assessment shall be \$.50 and shall remain an annual assessment of \$.50 per capita until changed by a majority vote of the District Board.” A status report was provided to the Board on October 13, 2005, after 3-years of assessments.

The per capita assessment that was adopted was intended to plug the deficit, sustain program delivery in the short term, and allow for the incremental resource enhancements needed to improve the air quality programs in the county. The significance of the per capita assessment is that it provides funding that is not designated for any specific program or expenditure. Having per capita assessment funds enables the District to provide necessary services that are without defined funding streams. Among the services that the per capita assessment has supported are:

- **Responses to regulatory inquiries from jurisdictions, the public, and prospective business.** District Staff regularly provide verbal and written information, distribute brochures and fact sheets, and provide a web page to inform and educate persons regarding District programs and air quality issues. District’s personnel also respond to inquiries from jurisdictions and the public.
- **Participation in evolving federal and state regulatory mandates, policies, and program development.** District personnel are engaged, frequently through the California Air Pollution Control Officer’s Association (CAPCOA), with the Air Resources Board and US EPA on developing regulations, helping to assure that the regulations are practical and can be implemented at a local level.
- **Internal tactical and strategic resource planning.** The District has administrative overhead not entirely covered by existing revenue sources (e.g. payroll services, personnel related services, liability insurance charges, general legal counsel, training and staff development).
- **Coordination and consultation with public groups and allied agencies and jurisdictions.** As the agency responsible for air quality planning throughout Placer County, and because air pollution problems are often regional in nature, the District must represent the interests of Placer County residents in a variety of forums. With the increases in resources that have been enabled by the per capita assessment, and other revenue enhancements, the District has become a full partner and in many cases a leader, thereby giving Placer County a greater voice regionally and statewide.
- **The continued timely investigation and response to non-permit related public complaints.** There is no revenue stream, other than the per capita assessment, that provides funding for the

investigation of complaints and general field enforcement activities. Prior to the per capita assessment being levied, because there were no resources to have anyone dedicated to field investigations, the District would interrupt staff working on other tasks to investigate complaints. The District's extra-help field enforcement personnel are "called-out", on a part-time basis, to investigate complaints when they are received. Complaint coverage is provided 7-days per week until midnight, 365 days per year.



- **Prosecution of enforcement cases.** To the extent that the investigations do not result in monetary penalties, the cost of the investigations is not recovered. While a case is open, the costs are borne by the District, and no recovery is possible for investigations that do not result in enforcement actions or where no penalties are collected.
- **Air quality considerations in land-use.** The District, through its permitting actions and the evaluation of land use plans and proposed projects for air quality impacts, seeks to mitigate the effect of development on air quality. The District may also provide assessments on air quality impacts and regulatory compliance for jurisdictions. For example, for the toxics risk assessment of the Union Pacific J.R. Davis Railyard in Roseville, and the follow-up air monitoring program and emission reduction efforts, the District contributed over \$763,000 over a 5-year period, with a total in kind contribution of all partners of \$1,710,200. The residents of the City of Roseville have been the primary beneficiaries of this work, as shown by a reduction of 39% for diesel particulate and 37% for nitrogen oxides for 2008 when compared to railyard emissions in 2000.

None of the examples of services or projects identified above have associated revenue streams, which is why the per capita assessment has been such a beneficial financial stabilizer. The District's attention to the aforementioned service areas and the level of service provided are dictated by public health concerns, by program mandates and guidelines, providing reasonably timely responses to the public, and by available resources. While the number of District Staff members has grown as was planned for when the Organizational Resource Development Plan was adopted in 2002, for FY 2011-12, with 18 fulltime staff, the District will have only 5.11 FTEs per 100,000 in County population. As has been outlined to the Board in the past, the District has and continues to function with a permanent staff to population ratio below the "average" of eight (8) FTE's per 100,000 in population served for air quality management agencies statewide, while providing a high level of service to Placer County residents, and being an air district leader.

The per capita assessment has fulfilled the objectives of correcting the deficit spending pattern by meeting previously unfunded service demands (those without designated funding streams), stabilizing the operation (unrestricted) fund balance, and providing incremental resource enhancements to aid in program delivery.