EXECUTIVE SUMMARY

Recommendation

District staff recommends that the Board adopt the final fiscal year 2004-05 budget.

Fund Summary:

The District Budget is organized into four separate funds, each with its own revenue and expenditure accounts. The four funds are briefly described below:

- **The Unrestricted Fund** is the operational fund of the District and is used for the purpose of conducting the business of the District not covered by the other three funds. The revenue sources for this fund are: permit fees, fines, state subvention, interest derived from these sources, Per Capita Fee, and administrative fees. The Non-Tort Defense Fund is a sub-fund of the Unrestricted Fund. Funding from the Unrestricted Fund is set aside for the restricted use of legal defense for the District.

- **The DMV Fund** is a restricted fund that is only to be used for the following applications: air monitoring, air modeling, emission inventory assessment and identification, control strategies, air quality planning, public information, and direct incentives to reduce mobile source emissions. The DMV Fund has three sources of revenue – DMV (AB 2766) Fees also referred to as Vehicle Surcharge Fees, interest derived from these funds and a portion of the Placer County Planning Department application fees that offset work done by the Placer County Air Pollution Control District's Planner. This work falls under the guidelines established for the expenditures to the DMV fund and therefore the revenue from the Planning Department application fees offsets the cost of the Planner's salary to the DMV fund.

- **The Mitigation Fund** is a restricted fund that is used only for the purposes described in each individual mitigation plan. The revenue sources for this fund come from mitigation plans approved at the discretion of the Land Use Authorities. Because the District cannot predict which of these plans will be approved, the revenue for this fund is not budgeted.

- **The Backup Generator (BUG) Fund** is a one-time funding provided in March 2002 from the California Air Resources Board to mitigate the impact of backup generators (BUG) emissions. This fund was included in the FY 2002-03 budget and was earmarked for external projects. This fund was fully expended by the end of FY 2002-03 with $115,000 encumbered for Clean Air Grants. The projects funded with this fund should be completed by June 2005. Thereafter, this fund will no longer be active.

Highlights:

The Proposed Budget for Fiscal Year 2004-05 is a 7.41% increase over the Final Budget for Fiscal Year 03-04. Most of the increase is in the amount to be spent on additional staff. The two new full-time positions, the permit technician and the Title V air specialist, are needed to fully implement all aspects of the Compliance and Enforcement Section of the District. In the past, this section of the District has been augmented by service contracts, extra-help employees and interns.

While the Budget for Fiscal Year 2004-05 is a lean budget, it does provide for the following programs and enhancements that will allow the District to improve upon the past successes:

- A maintained balance in the Unrestricted Fund. This budget maintains a healthy Unrestricted Fund Ending Balance of $206,258, which is approximately 6% of the total Proposed Budget for Fiscal Year 2004-05. This is the operational fund of the District and as such, it is the recommended (between 5 and 10 %) amount for government agencies to have in reserve in order to maintain operations in case of any unforeseeable catastrophic events.
- Clean Air Grants totaling $750,000 ($200,000 from the Mitigation Fund and $550,000 from the DMV Fund).
- A full time Air Specialist I, to implement the Title V permitting, compliance and enforcement program.
- A full time Permitting Administrative/Technician (previously an extra-help position).
- Continued 2,000 hours for enforcement, investigative and public information support provided by on-call extra-help personnel.
- An extra-help administrative secretary to assist in the transition and growth of the District.
- $105,000 commitment to the State Implementation Plan update.
- An addition to the Non-Tort Defense Fund set aside for the specific use of defending the District in litigations that cannot be defended by County Counsel per advice from Placer County Risk Management - $30,000. (This increases the fund total to $60,000.)
- Computer and Software Maintenance - $49,000.
- Air Permitting Specialist Contract support -- $30,000.
- An overall study of the fees the District charges for program recovery -- $15,000.
- GIS/Emission Software implementation and support -- $8,000.
- Public outreach and information support -- $27,500.
- Twenty-five thousand dollars for air monitoring projects.
- Thirty-five thousand dollars for Naturally Occurring Asbestos Mapping.
- Continued support of past programs that are beneficial to air quality and in keeping with the Mission Statement of the District.

PLACER COUNTY AIR POLLUTION CONTROL DISTRICT
FY 2004-05 BUDGET SUMMARY COMPARISON
CONSOLIDATED FUND SUMMARY

	ACTUAL CONSOLIDATED FUNDS FY 01-02	ACTUAL CONSOLIDATED FUNDS FY 02-03	ACTUAL CONSOLIDATED FUNDS FY 03-04	REVISED FINAL BUDGET CONSOLIDATED FUNDS FY 03-04	BUDGET FY 04-05	
REVENUE:						
Permit Fees	416,930	535,857	596,191	519,974	556,375	
Fines	71,724	73,056	29,370	20,000	20,500	
Interest	81,779	79,462	56,506	85,000	60,000	
State Revenue	968,709	1,238,089	1,206,204	1,169,128	1,195,250	
Burn / Land / Other	170,249	525,734	89,837	87,090	71,029	
Mitigation Fees			297,527		0	
Per Capita Fee			137,800	137,800	143,830	
Miscellaneous	13,287	10,090	11,014	15,000	16,000	
Total Revenue:	**1,722,677**	**2,462,289**	**2,424,448**	**2,033,992**	**2,062,984**	
TOTAL FUND CARRY OVER PREVIOUS FY	**1,511,710**	**1,210,939**	**1,192,733**	**1,193,571**	**1,132,206**	
TOTAL FUNDS AVAILABLE	**3,234,387**	**3,673,228**	**3,617,181**	**3,227,563**	**3,195,190**	
EXPENSE:						
Salary & Benefits	614,582	786,913	1,025,171	1,041,404	1,297,559	
Supplies & Services	519,491	620,630	709,804	678,863	605,716	
Clean Air Grants	849,400	1,072,114	750,000	750,000	750,000	
Equipment	39,976					
Total Expense:	**2,023,449**	**2,479,656**	**2,484,975**	**2,470,267**	**2,653,275**	
Ending Fund Balance:	**1,210,939**	**1,193,571**	**1,132,206**	**757,296**	**541,915**	*
Encumbered Funds (Funds already committed)	**879,040**	**1,526,414**	**1,596,526**	**1,526,414**	**1,596,526**	**
TOTAL FUND BALANCE	2,089,979	2,719,985	2,728,732	2,283,710	**2,138,441**	

*The "Ending Fund Balance" for the Proposed Budget FY 2004-05 is the consolidated total for the following fund balances:

Unrestricted Fund	$206,258
DMV (AB2766) Fund	7,765
Mitigation Fund	267,893
Non-tort Defense Fund	60,000
Ending Fund Balance	$541,916

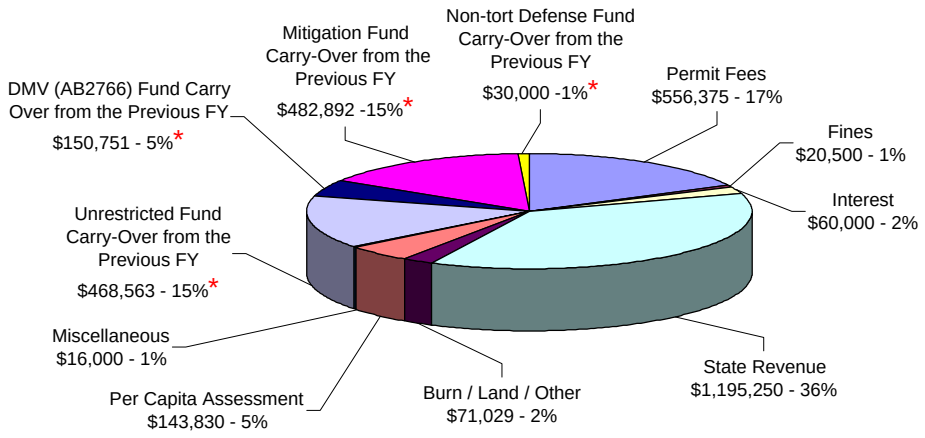
**The "Encumbered Funds" for the Proposed FY 2004-05 are consolidated from the following:

Unrestricted Fund	$52,692	Supplies & Services
DMV (AB2766) Fund	1,233,359	Clean Air Grants & Service Contra
Mitigation Fund	225,475	Clean Air Grants
Backup Generator Fund	85,000	Clean Air Grants
Encumbered Funds	$1,596,526	

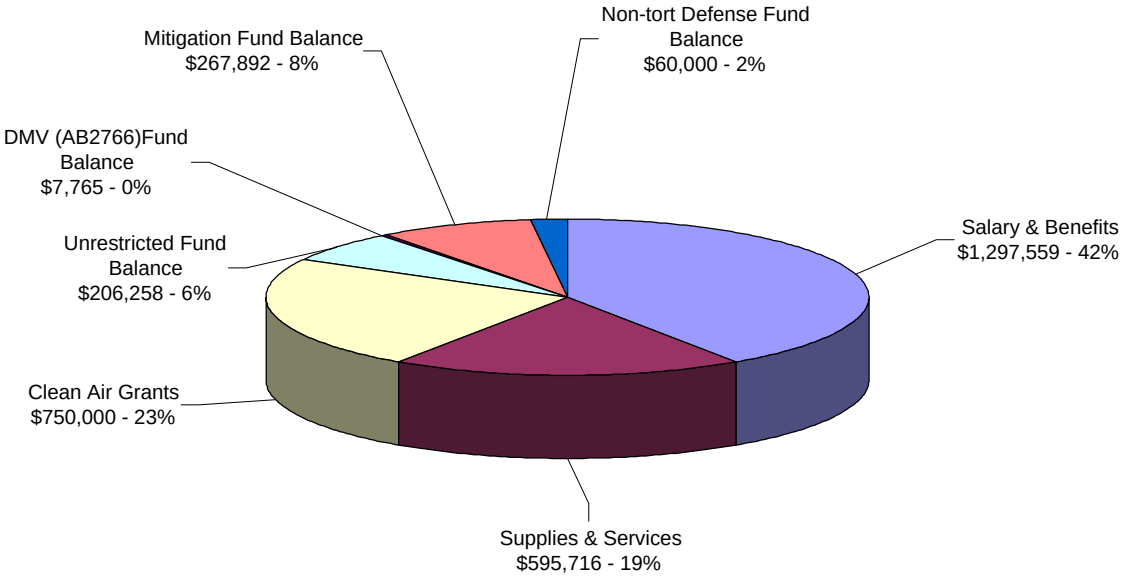
Most of the encumbered funds (94.29%) are Clean Air Grants that have been awarded to Placer County recipients over the last three fiscal years. The funds have not been dispersed because the contracted clean air projects have not been completed.

Consolidated Funds Available for FY 2004-05

Total Funds Available = $3,195,190



*** The total "Fund Carry-Over from the Previous FY" for these four funds = $1,132,206**

Consolidated Fund Usages for FY 2004-05

Total Fund Usage = $3,195,190