

# Approved Budget

## FISCAL YEAR 2015/16



SACRAMENTO METROPOLITAN



**AIR QUALITY**  
MANAGEMENT DISTRICT



# **APPROVED**

## **SACRAMENTO METROPOLITAN AIR QUALITY MANAGEMENT DISTRICT FISCAL YEAR 2015/16 BUDGET**

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### **Executive Director / Air Pollution Control Officer**

Larry Greene

### **District Counsel**

Kathrine Pittard

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Sacramento CA 95814



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**Sacramento Metro Air Quality Management District  
California**

For the Fiscal Year Beginning

**July 1, 2014**

A handwritten signature in black ink, appearing to read 'Jeffrey R. Egan'.

Executive Director

Budget prepared by  
Administrative Services Division  
Finance section in conjunction with District Staff

**Division Manager**  
Jamille Moens

**Controller**  
Michael Sinkevich CPA

*The electronic version of the Approved Budget is available on the  
Sacramento Metropolitan Air Quality Management District website at [www.airquality.org](http://www.airquality.org)*

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# SECTION 1

## Executive Director Letter

May 28, 2015

Honorable Chairman, Governing Board and residents of the  
Sacramento Metropolitan Air Quality Management District  
Sacramento, California

Dear Chair Hansen, Board members and residents:

I respectfully submit to you the Fiscal Year (FY) 2015/16 Approved Budget for the Sacramento Metropolitan Air Quality Management District. The Approved Budget is balanced and reflects a total for FY2015/16 of \$45.9 million, including \$21.8 million for the Operation Fund, \$1.1 million for the Covell Building Fund, and \$23 million for the Emission Technology Fund. The FY15/16 Approved Budget is a net decrease of \$8.5 million from the FY14/15 Amended Budget.

The District is financially stable, recovering well from the difficult recession in recent times and benefitting from the Board approved fee increases. While the District is in a stronger financial position than five years ago, the District is facing several financial challenges, including the following:

- Funding sources that are sun-setting
- Uncertainty in the Federal budget process
- Capital needs (aging monitoring stations and building improvements)
- Uncertainty in pension and health care costs

To address these and other operational needs, the District is enhancing its efforts to improve compliance and performance. While there are numerous efforts underway in support of this work, the following highlight the key initiatives for FY15/16:

- Continue full-cost recovery for fee based programs
- Continue and improve collaborations/partnerships that enhance and leverage district assets and capabilities
- Increase the use of technology to achieve efficiencies and greater transparency
- Support legislative efforts that enhance/streamline District work
- Increase efforts to identify grant opportunities that support District work
- Enhance existing and seek out new revenue sources

The District is fortunate to have hard-working staff dedicated to achieving the mission and strategic objectives of the organization. I am confident that through the Board's leadership and the thoughtful planning and action of staff, the District will continue to move ever closer to its vision of "healthy air for all generations", while continuing to be transparent and fiscally responsible.

Respectfully submitted,



Larry Greene

Executive Director/Air Pollution Control Officer

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## SECTION 2

### Budget Overview

#### INTRODUCTION

This section contains an introduction that provides a summary of the FY2015/16 Approved Budget and a profile of the Sacramento Metropolitan Air Quality Management District (District); the Consolidated District Budget, which includes a discussion on the budget, factors affecting financial conditions, and long-term planning; the District's Strategic Initiatives; and, overviews of the District's three funds: Operating, Covell Building and Emission Technology.

#### ***FY15/16 Approved Budget Summary***

This document reflects the FY2015/16 Approved Budget which totals \$45.9 million from all funding sources and includes 102 total authorized full-time equivalent (FTE) positions with 96 funded and 6 unfunded.

The District presented an initial FY2015/16 Proposed Budget to the Sacramento Metropolitan Air Quality Management District Board (Board) in April 2015 as part of the public hearing process on the adoption of the annual budget. As a continuation of the process, changes to appropriations/positions in the FY2015/16 Proposed Budget were presented at the May 2015 Board meeting during the second public hearing. At the May meeting, the Board approved the FY2015/16 Budget, which reflects the FY2015/16 Proposed Budget inclusive of the changes to appropriations/position listed below. The changes represent a decrease of approximately \$6.7 million and an increase of 1.0 FTE as shown in the tables below.

#### **Summary of Changes to the FY2015/16 Proposed Budget**

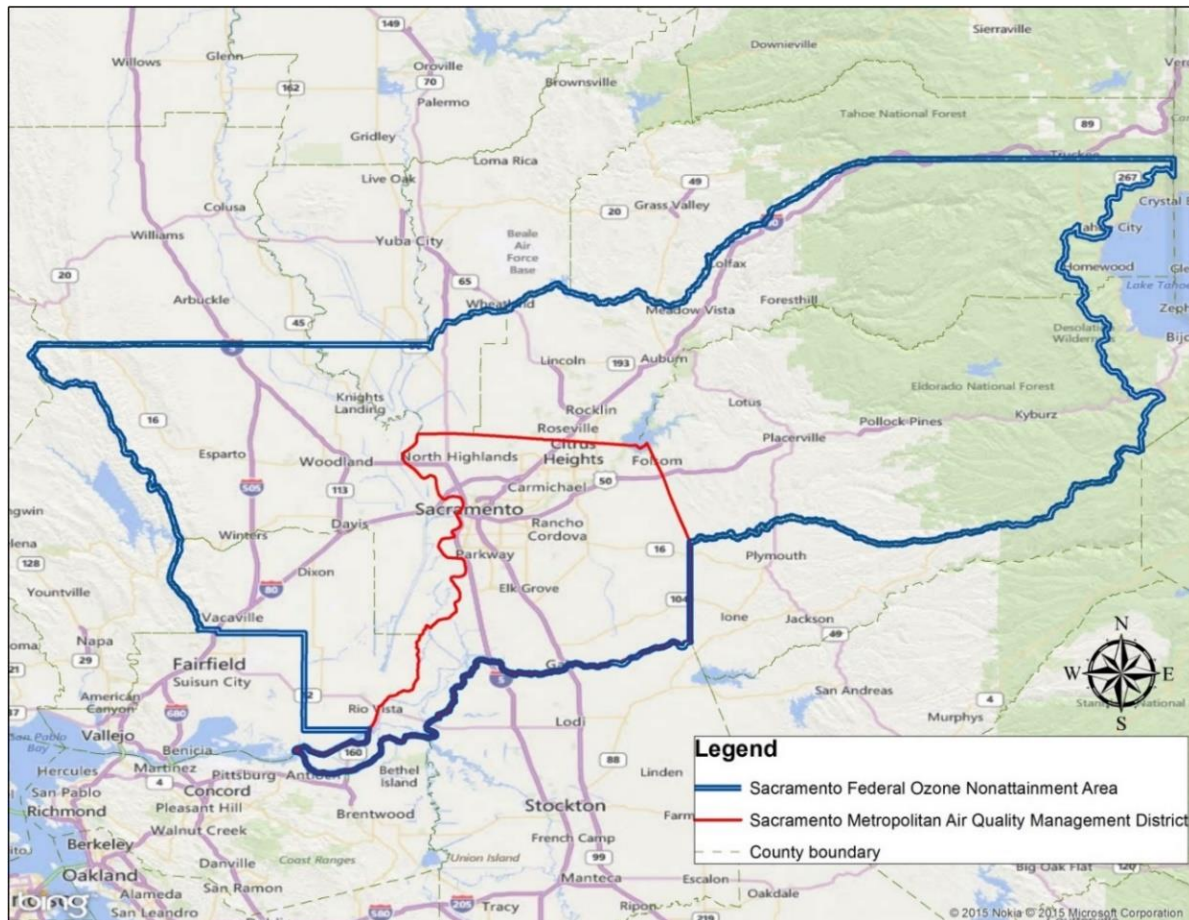
Fund	FY 15/16 Proposed Budget	Changes to Appropriations	FY 15/16 Approved Budget
Operating (570A)	\$ 21,247,472	\$ 531,875	\$ 21,779,347
Covell Building (570B)	\$ 1,181,702	\$ (35,100)	\$ 1,146,602
Emission Technology (570C)	\$ 30,147,766	\$ (7,152,819)	\$ 22,994,947
<b>Combined Total</b>	<b>\$ 52,576,940</b>	<b>\$ (6,656,044)</b>	<b>\$ 45,920,896</b>

Classification	FY 15/16 Proposed Budget	Changes to Positions	FY 15/16 Approved Budget
Air Quality Planner / Analyst	10.0	1.0	11.0

### ***Profile of the Sacramento Metropolitan Air Quality Management District***

The Sacramento Air Pollution Control District was formed by the Sacramento County Board of Supervisors in December of 1959. In July of 1996, the Sacramento Metropolitan Air Quality Management District was created under Health and Safety Code Sections 40960 et. seq. to monitor, promote and improve air quality in the County of Sacramento. It is one of 35 regional air quality districts in California. It has been designated by EPA as part of the Sacramento Federal Ozone Nonattainment Area (SFNA), which is comprised of all of Sacramento and Yolo Counties, the eastern portion of Solano County, the southern portion of Sutter County and the western slopes of El Dorado and Placer Counties up to the Sierra crest and includes four other local air districts. Below is a map of the SFNA and the District's boundaries in relation to the SFNA.

**Map of the Sacramento Federal Ozone Nonattainment Area**



The District Governing Board is composed of 14 members, including all five Sacramento County Supervisors, four members of the Sacramento City Council, one member each from the Cities of Citrus Heights, Elk Grove, Folsom and Rancho Cordova, and one member representing the cities of Galt and Isleton. The Board appoints the agency's Executive Director and District Counsel.

The District is responsible for monitoring air pollution within the Basin and for developing and administering programs to reduce air pollution levels below the health-based standards established by the state and federal governments.

While air quality in the SFNA currently does not meet the federal health standards for ozone, as well as the more stringent California standards for ozone and particulate matter (PM<sub>10</sub>), progress has been

made even as standards have tightened. And in spite of a huge increase in population over the last two decades, the Sacramento region's air quality has continued to improve. Roughly 63% of the SFNA's population falls within the District's boundaries.

#### Population in Sacramento Federal Ozone Nonattainment Area

COUNTY	POPULATION <sup>1</sup>			
	SFNA portion of the County	County	SFNA / County	County / Total SFNA
El Dorado	150,515	181,058	83%	7%
Placer	338,613	348,432	97%	15%
Sacramento	1,418,788	1,418,788	100%	63%
Solano	129,377	413,344	31%	6%
Sutter	3,433	94,737	3.6%	<1%
Yolo	200,849	200,849	100%	9%
<b>Total</b>	<b>2,241,575</b>	<b>---</b>	<b>---</b>	<b>100%</b>

<sup>1</sup> Based on 2010 Census

A combination of poor atmospheric ventilation, a capping temperature inversion, bordering mountains and sunny days act to enhance smog formation and effectively trap pollutants in the Basin. The Sacramento region has relatively few "smokestack" industries compared to the Bay Area and Southern California. Therefore, even if the District was to shut down all of these stationary sources, it's unlikely that the region could meet air quality standards, particularly the tougher state standards. Mobile Sources are the largest contributor of pollutants in the Sacramento Region.

Mobile sources include cars, trucks, delivery vehicles, big rigs, and "off-road" sources, such as construction, mining, and agricultural equipment. In 2015, these mobile sources are projected to contribute approximately 40% of the Volatile Organic Compounds (VOC) and 84% of the Oxides of Nitrogen (NO<sub>x</sub>) emissions, while stationary (industrial) sources contribute about 22% of the VOC emissions and 10% of the NO<sub>x</sub> emissions in the Sacramento region. State and federal regulations will help to reduce the impact of motor vehicle fuel and engine emissions on air quality in the future, but as growth in the Sacramento region brings more vehicles in, mobile sources will continue to be a major factor in the region's air quality problem.

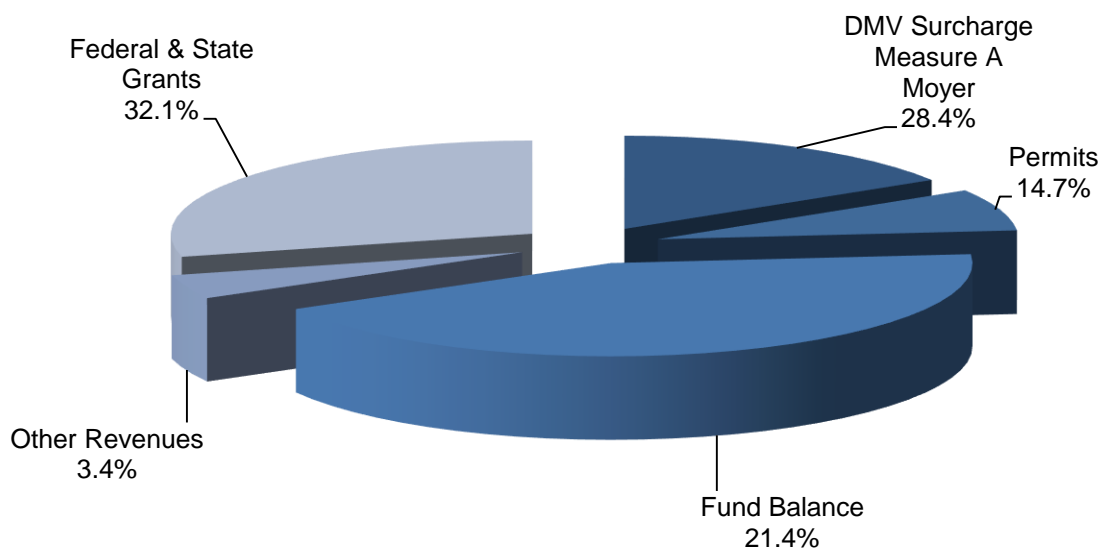
## CONSOLIDATED DISTRICT BUDGET

The annual budget serves as the foundation for the District's financial planning and control. The Governing Board is required to adopt an annual budget by July 1 of each fiscal year. Budgets are adopted on a budgetary basis that includes encumbrances and expenditures. The District's FY15/16 budget was approved by the Board on May 28, 2015.

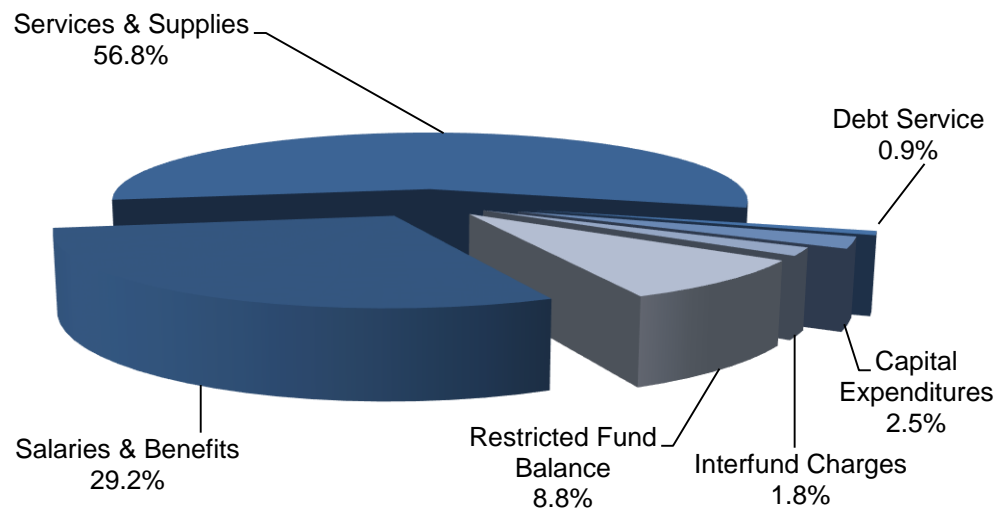
### ***Consolidated District Budget Summary***

The Consolidated Budget reflects the total District Budget comprised of the Operating, Covell Building and Emission Technology Funds. The total Approved Consolidated Budget is \$45.9 million and funds 96 full-time equivalent positions.

#### **Revenues**



#### **Expenditures**



The District's budget strategy reflects the mission of the District, is fiscally sound and provides resources that realistically fund operations. Planning efforts include multi-year projections of funding sources and ongoing expenditures to promote long-term planning of resource uses. District management proactively manages revenues and cost-effectively manages ongoing operating costs.

The table below is a summary of the FY15/16 Approved Budget by fund, identifying the net expenditure changes from the FY14/15 Amended Budget.

FUND	FY14/15 Amended Budget	Change	FY15/16 Approved Budget
District Operating Budget	20,325,428	1,453,919	21,779,347
Covell Building Budget	1,229,772	(83,170)	1,146,602
Emission Technology Budget	32,879,507	(9,884,560)	22,994,947
<b>Combined Total</b>	<b>54,434,707</b>	<b>(8,513,811)</b>	<b>45,920,896</b>

### ***Factors Affecting Financial Condition***

Notable changes from the FY14/15 Amended Budget to the FY15/16 Approved Budget include:

- Permit related fees include a 7.4% increase approved by the District Board in July 2013
- A new EPA grant for ambient air monitoring
- A 2% COLA per the contract with the Employee's Association for salaries and step increases
- Funding for two existing positions – an Engineer and Planner – and reduced retirement costs
- Capital expenditure increases due to air monitoring station replacement and upgrades
- Multi-year grant funds anticipated to be received in FY15/16 are projected to exceed Incentive Program expenditures during FY15/16
- A travel fund expenditure increase for enhanced Board member participation in opportunities that support district objectives
- A reduction in revenues of DMV \$2 fund balance in the Emission Technology fund as the anticipated funding structure (to bridge potential timing issues from contract award to funding received) was no longer necessary
- Covell Building fund includes tenant rent for partial year, tenant improvement and real estate commission

To meet its program commitments, despite increased workload complexity, the District has successfully streamlined many of its operations, reducing program costs. While the District does not recover its activity costs fully from fees, support in the form of state subvention, federal grants, and other revenues offset much of the shortfall

While the employer contribution rates to the District's CALPERS Retirement Program is projected to decrease slightly in FY2015/16 due to combining of CalPERS pension pools, the District's contribution in the pension program is anticipated to increase slightly over the next several years.

The recent economic downturn has had some effect on the District funding stream. As of April 2015, the unemployment rate in Sacramento County is 5.6%, down from a high of 13% in January 2010. As business activity and employment increases, revenues from permits and fees are expected to increase. Anticipated sales tax revenues from Measure A are projected by the Sacramento Transportation Authority to increase approximately 5% annually over the next five years. Moyer funding would have

sunset in 2015, however with the passage of AB8, this funding source is authorized until 2024. Funding from these State Programs continues to be a major revenue source in the District's budget.

Federal funding is increasing for Ambient Air Monitoring and is otherwise expected to remain consistent through FY15/16. Transportation reauthorization is a high priority in FY15/16. This is important to ensure that Congestion Mitigation/Air Quality (CMAQ) remains and continues to be authorized for the District's truck and engine (SECAT) incentive and the Spare the Air programs.

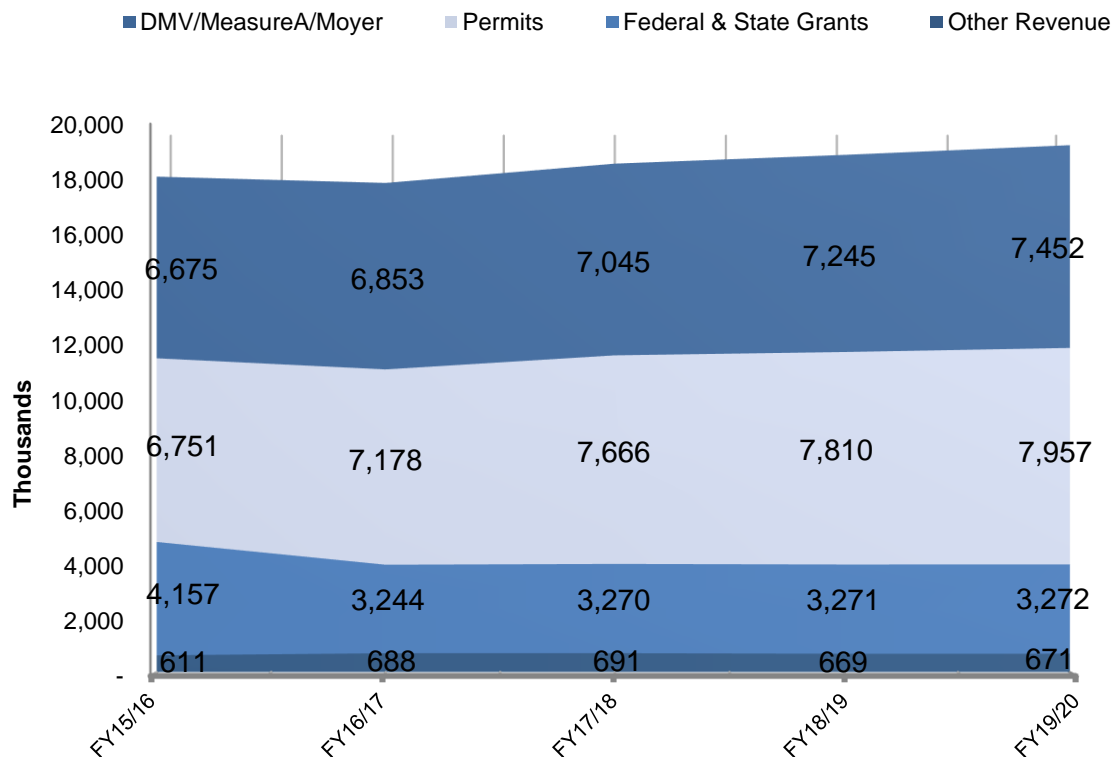
### ***Long-term Financial Planning***

The District annually reviews and updates a five-year financial projection to evaluate the potential internal, external and programmatic changes that can be implemented over the next fiscal year and beyond. As part of the annual review, staff evaluates the need to increase fees. The District Board approved a fee increase program in July 2013 to ensure sufficient funding for specific programs and to generate a stable and prudent fund balance. A fee increase for FY15/16 is reflected in the Approved Budget.

The graph below represents a five year forecast of new revenues in the Operating Fund which uses the following methods for its projections:

- Informed/Expert Judgment
- Trend Analysis
- Grant documentation and review
- Estimates from other governments

**Five-Year Forecast of New Revenues by Source (Operating Fund)**



Expenditures for the Operating Fund in the five-year forecast are expected to gradually increase to address major improvements, most notably nonrecurring capital expenditures to improve the District's technology resources and for rehabilitation and replacement of several aging air monitoring stations. The District's revenues are projected to be sufficient to meet the additional expenditures.

The Covell Building Fund is expected to be fairly stable in the five-year forecast as the primary asset in the Fund is relatively new and annual maintenance is anticipated to be consistent. Moving forward, major rehabilitation and replacement projects will be identified along with expected funding sources. The main funding source for capital expenditures in the Covell Fund is rental income.

There are no capital expenditures associated with the Emission Technology Fund as it serves as a pass-through for various emission technology incentive grants. The five-year forecast is projected using historical grant amounts and anticipated grant amounts in the near-term. While the next couple of years are expected to be stable with respect to grant funding, there is growing uncertainty into the future as some of the grants are scheduled to sunset, and may not be extended or replaced with other funding.

Currently, the District does not have a budgeted multiyear Capital Improvement Program, rather it budgets annually the amount required each fiscal year for identified projects. The District is developing a long-term Asset Management Program and exploring financial software applications capable of budgeting multiyear projects to allow for improved financial planning of its larger assets.

Details of the FY15/16 Capital Improvement Program are in Section 3 – Budget Schedules, and a description of funding sources can be found in Section 6 – Supplemental Information.

## STRATEGIC INITIATIVES

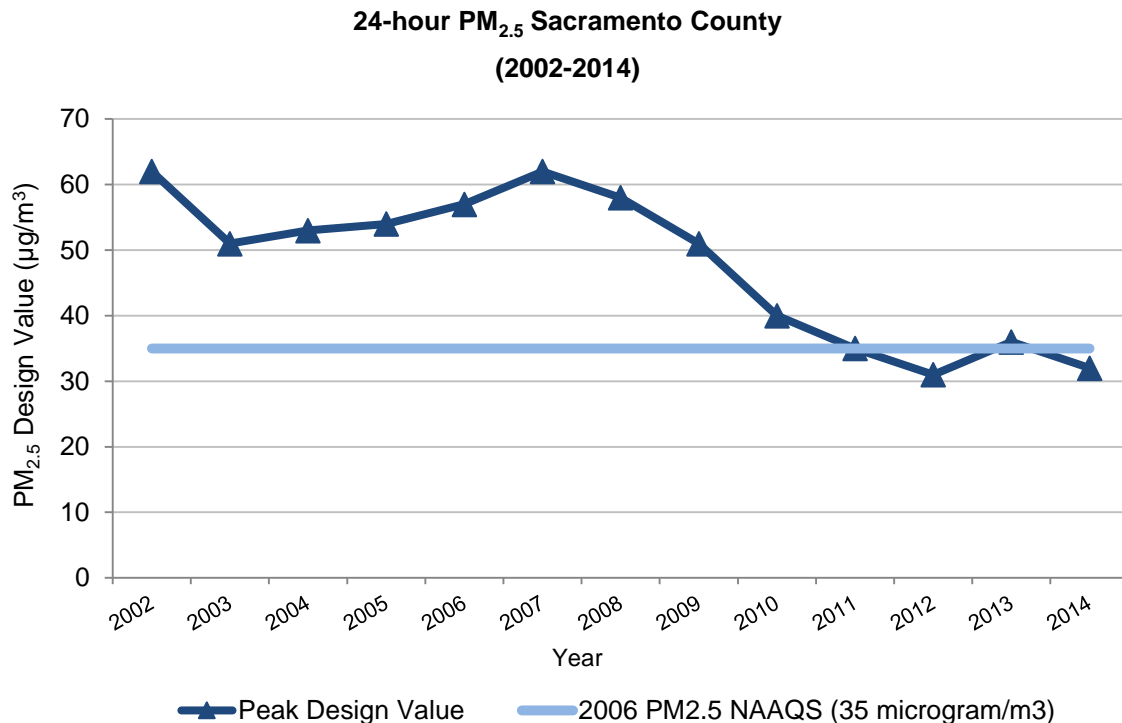
The Strategic Direction serves as a roadmap that guides the District's work and provides the tools necessary to protect public health, ensure compliance with a stringent regulatory environment, effectively manage resources, and provide excellent customer service. Importantly, this roadmap also helps communicate the District's vision to staff, the District's Board of Directors, and the public. Maintaining the trust of stakeholders is paramount, and the Strategic Direction provides a sound basis for approved expenditure, investment, and support while ensuring transparency and accountability.

STRATEGIC DIRECTION	
<b>VISION</b>	Healthy air for all generations
<b>MISSION</b>	Achieve clean air goals by leading the region in protecting public health and the environment through innovative and effective programs, dedicated staff, community involvement, and public education
<b>CORE VALUES</b>	Honesty and Integrity Dedication Teamwork Leadership Stewardship Innovation Professionalism
<b>STRATEGIC GOALS</b>	<ul style="list-style-type: none"> <li>✓ Effectively integrate air quality considerations into transportation and land use planning and decision making to achieve maximum emission reductions.</li> <li>✓ Develop and enhance partnerships that achieve healthy air.</li> <li>✓ Retain, develop and recruit excellent staff at all levels by promoting a culture that is professional, open, supportive and rewarding.</li> <li>✓ Continue to develop, implement and influence innovative programs to achieve healthy air.</li> <li>✓ Promote and enhance awareness of the public's role and responsibility in improving air quality.</li> <li>✓ Achieve the maximum effectiveness of regulatory programs.</li> <li>✓ Ensure fiscal responsibility and viability</li> </ul>

Each year, strategic initiatives are undertaken in support of the Strategic Direction. The initiatives are developed, reviewed and/or updated annually to ensure that the work of the District evolves as conditions change, adapting to new opportunities and challenges. Administrative and operational initiatives are described in Section 5 – Organizational Overview – under the four operating divisions. This section highlights several key Districtwide initiatives for FY15/16.

### Non-attainment goals

The District will continue to work toward meeting non-attainment goals. Since mid-2012, EPA has recognized that Sacramento has met three federal air quality standards: the federal 1 hour ozone standard (October 2012); PM<sub>2.5</sub> (July 2013), and; PM<sub>10</sub> (September 2013). Sacramento must update its plan to meet the 2008 ozone health standards in early 2016. In December 2013, historically dry weather conditions caused Sacramento to be just above the 2006 federal PM<sub>2.5</sub> standard. The District returned to attainment in 2014, as shown in the figure below.



*Note: Design value is the pollution level used to determine whether federal health standards are met.*

While it has been a significant challenge, controlling pollution from wood smoke on key days in the fall and winter are essential to maintaining the PM<sub>2.5</sub> standard. Consequently, the District's Wood Smoke Program, including "Check Before You Burn", continues to be a priority and key strategy. A public opinion survey was recently conducted, and one of the key findings was that, although the community has very good awareness and compliance with the "Check Before You Burn" program, the public (even many who comply with the program) do not believe that wood smoke is dangerous to their health. This led the District to focus on this fact in last season's campaign, introducing scientists, doctors and public health experts talking about the dangers of exposure to wood smoke.

### Tracking State and Federal Programs

The District is actively engaged in the California Air Pollution Control Officers Association (CAPCOA) which is a critical state association for air pollution industry matters. In addition, the District is involved with the National Association of Clean Air Agencies (NACAA) as it serves as a key agency for District work with EPA and other agencies at the national level, and for representing local air district issues in DC. Participation in these and other agencies allows the District to closely track, monitor and weigh-in on important programs and legislative matters affecting the District and its mission. The following are some examples of programs being tracked:

- ### Capital Improvements

**Legend**

**Air Monitor Name**

- A** Bercut Drive - New Near Road Site
- B** Bruceville Road
- C** Folsom-Natoma (Trailer replacement)
- D** North Highland (Trailer replacement)
- E** Rancho Seco
- F** T Street - operated by CARB
- G** Branch Center
- H** Del Paso Manor
- I** Goldenland
- J** Health Department
- K** Sloughhouse
- L** Walnut Grove Tower (aloft ozone/met)

— Sacramento County Line

Disadvantaged Communities under SB535

### Partnerships

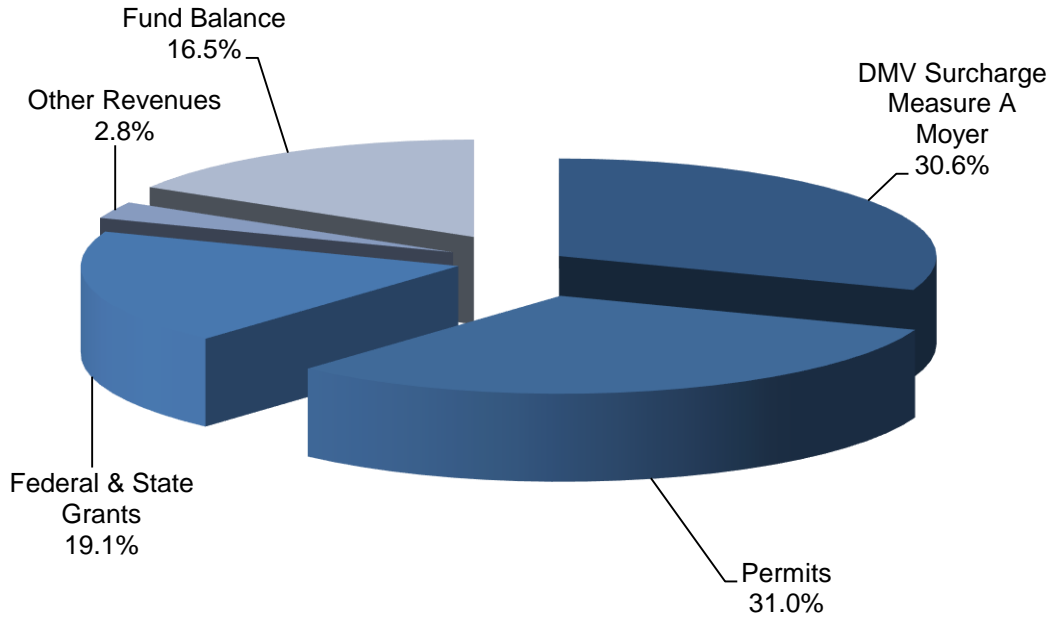
The District has numerous regional, state and federal partnerships that assist the District in achieving its mission. Continuing this important collaboration and leveraging these partnerships are key to meeting the District's regional air quality goals as many of the reduction strategies are in areas outside of traditional stationary source regulation. A few notable partners are listed below.

- California Air Pollution Control Officers Association
- National Association of Clean Air Agencies
- Air Resources Board and other state agencies
- Cleaner Air Partnership (numerous partners in this collaboration)
- Valley Vision
- Capitol Region Climate Readiness Collaborative / Alliance of Regional Collaboratives for Climate Adaptation
- Local Government Commission
- Local Agencies: Sacramento Area Council of Governments, Regional Transit, Sacramento Transit Authority
- Sacramento County and Cities in Sacramento County
- Sacramento Metropolitan Chamber of Commerce
- West Coast Diesel Collaborative
- Various Environmental Organizations: Breathe California, Transform, American Lung Association, etc.

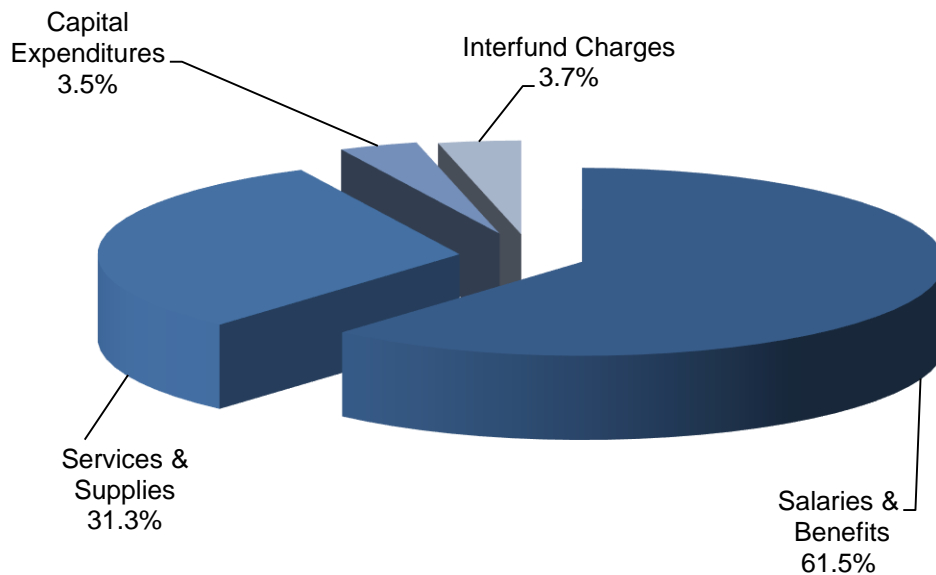
### OPERATING FUND 570A

The Operating Fund is composed of restricted, assigned and unassigned funds and reflects financial activity of all operational programs of the District apart from the Emission Technology incentive programs. The total Approved Operating Budget is \$21.8 million. Fund balance is closely managed to ensure it remains at sustainable levels.

#### Revenues



#### Expenditures



The District Operating Fund is used to conduct all ongoing activities, including: salaries, recurring expenditures, professional services and purchases of operating capital assets. The Operating Budget does not receive property tax support. Approximately 31% of its funding is derived from fees paid by stationary sources that emit air pollution; 21% from auto registration fees collected by the Department of Motor Vehicles and distributed to air districts throughout the state in support of motor vehicle emission reduction programs; 19% from federal, local government and state subventions; 7% from sales tax; 16% from fund balance and the remainder from other earnings.

Historically, District fees failed to fund the Stationary Source program costs and were expected to fully deplete stationary source fund balance before the end of FY13/14 unless fees were increased. To address this issue, in July 2013, the District Board approved a five-year fee increase of up to 7.4% annually to fully fund the program and restore a prudent fund balance. The FY15/16 Approved Budget includes the third year of the approved increase. Overall, projected actual FY14/15 fee revenues match fee study projections. Staff will continue to monitor actual fee revenues and adjust the fee increase downward in future years if the programmatic fund balance exceeds targeted levels.

For non-Stationary Source revenues, the FY15/16 Approved Budget reflects a projected decrease in Land Use Mitigation Fees of \$357,920 due to multiple variables including the uncertainty related to the timing of the completion of several large land use projects and the initiation of new construction, the practice of phasing construction projects to minimize maximum daily emissions, and the deployment of cleaner construction equipment.

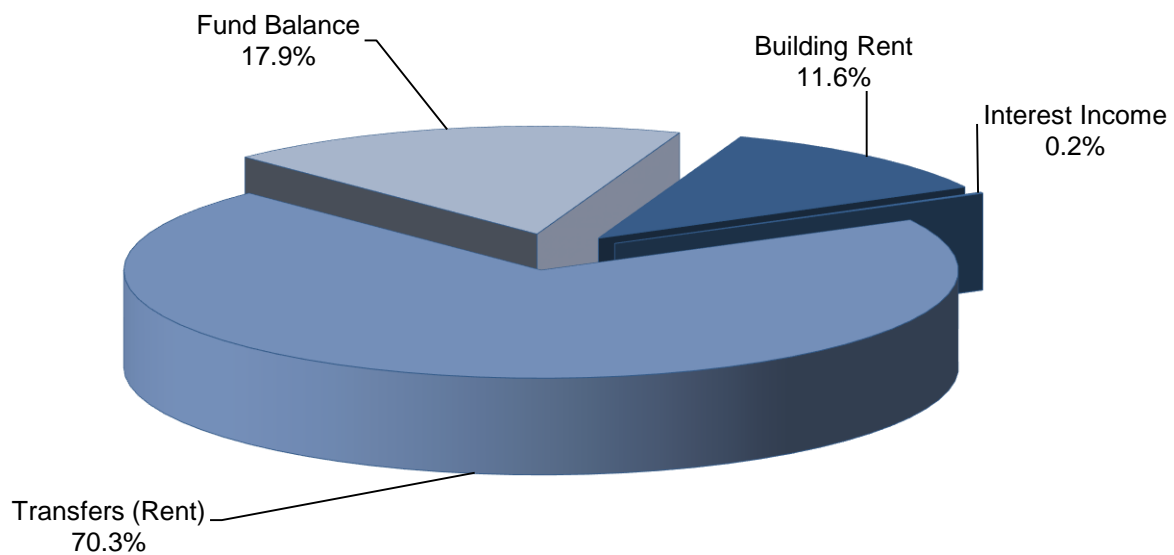
The Operating Budget includes new revenues of \$18.2 million and use of fund balance in the amount of \$3.6 million for a total of \$21.8 million. This is an increase of \$1.5 million from FY14/15 Amended Budget. The table below reflects the net expenditure changes and highlights the major adjustments in the Operating Fund from the FY14/15 Amended Budget to the FY15/16 Approved Budget.

Salary & Wages (2% COLA, Steps, Funded Positions)	386,152	
Retirement Contribution	(46,543)	
Medicare, Health & Other Insurance	38,402	
<b>Salaries &amp; Benefits</b>		<b>378,011</b>
Professional Services	1,046,613	
Computer Software	105,510	
Miscellaneous	(14,933)	
<b>Services &amp; Supplies</b>		<b>1,137,190</b>
Capital Expenditures	203,800	
<b>Capital Expenditures</b>		<b>203,800</b>
Interfund Charges	(265,082)	
<b>Interfund Charges</b>		<b>(265,082)</b>
<b>Total Operating Budget Changes</b>		<b>1,453,919</b>

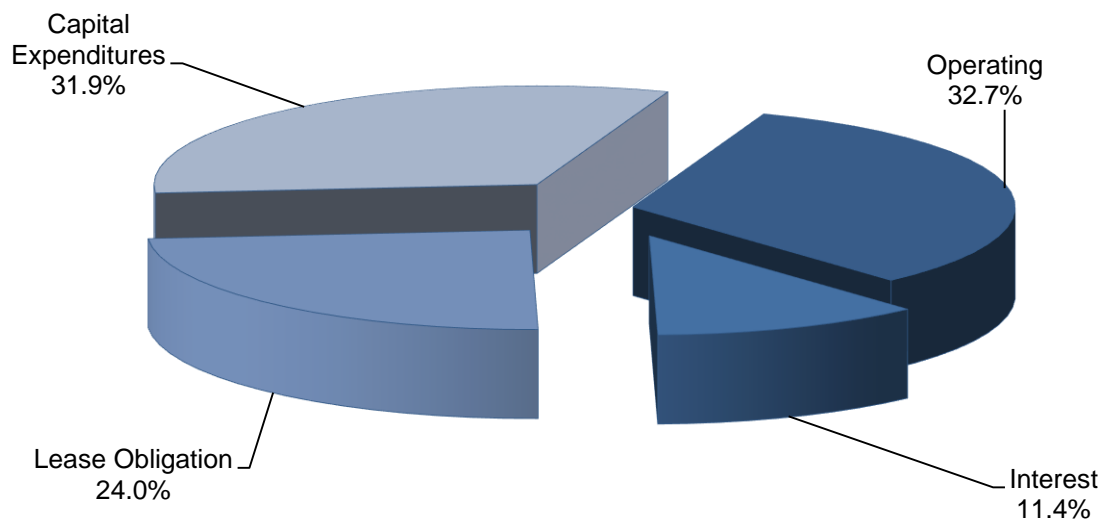
### COVELL BUILDING FUND 570B

The Covell Building Fund supports the financial activities of the District's building asset located at 777 12<sup>th</sup> Street, Sacramento, California. This facility serves as the headquarters for District operations and administration. The total Approved Covell Building Fund Budget is \$1.1 million.

#### Revenues



#### Expenditures



The Covell Building Fund includes new revenues of \$941,173 and use of fund balance of \$205,429 for a total of \$1.1 million. This reflects an \$83,170 decrease from the FY14/15 Amended Budget. Currently, a portion of the second floor is vacant. District rent is budgeted at \$806,573 for FY15/16. The Covell Building budget includes expenditures for leasing the vacant space. These expenses are \$161,220 in tenant improvements and \$40,000 in broker commissions.

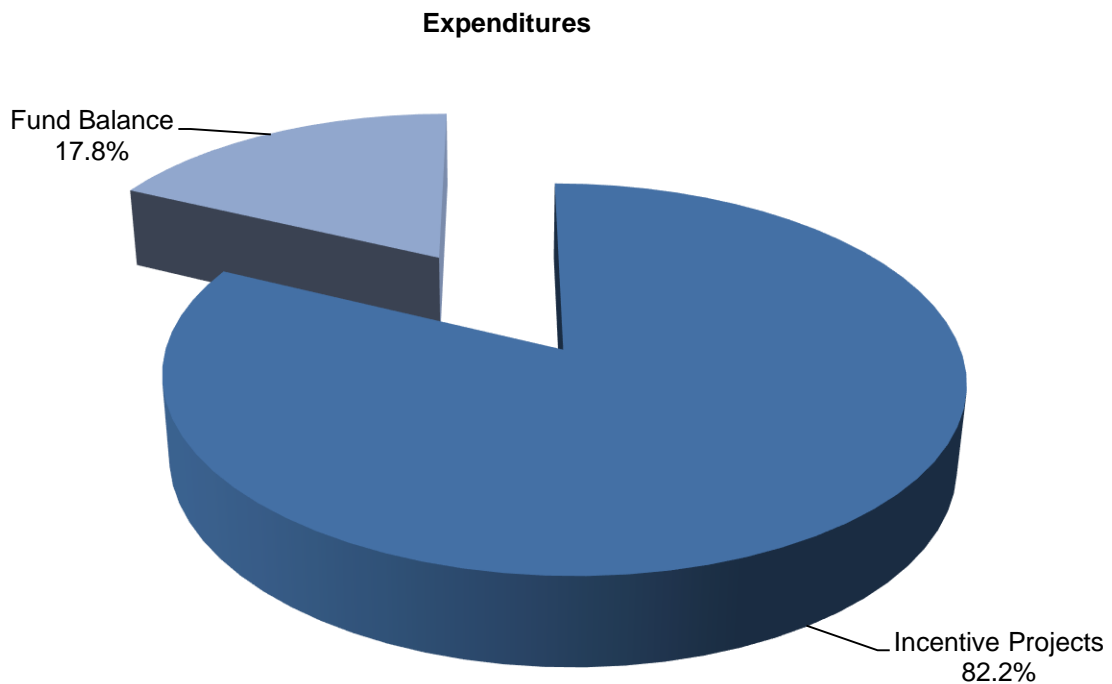
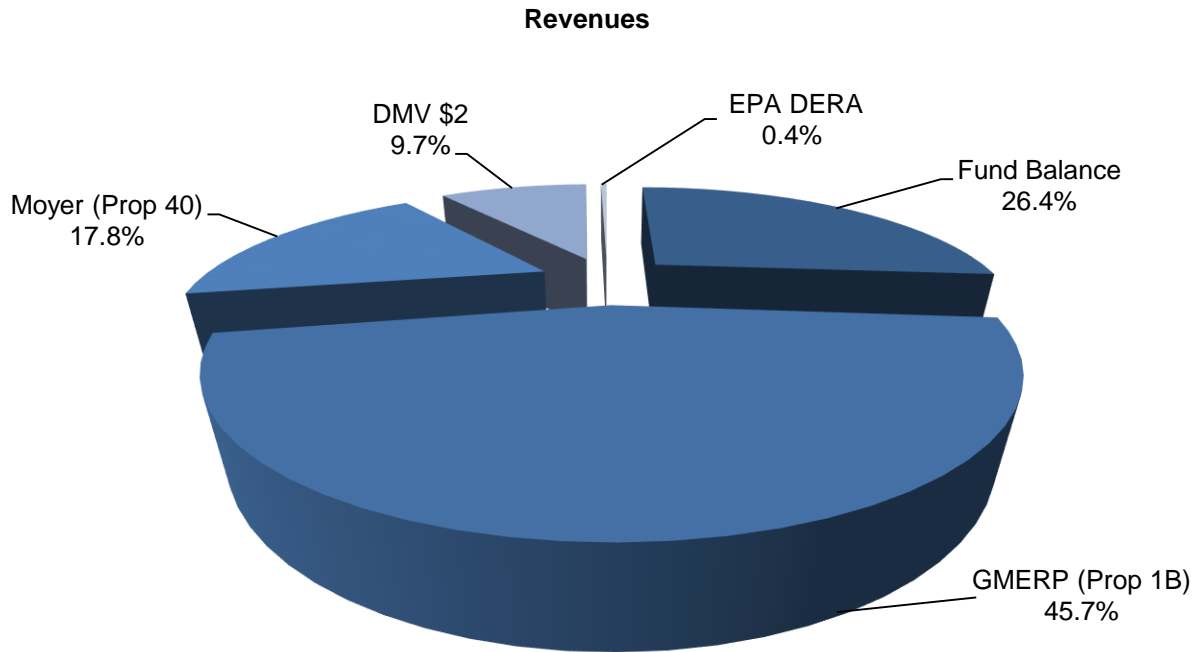
Building revenues consist of tenant rents, a transfer of funds from the District's Operating budget to represent District rent payment, and fund balance. The revenue from daily/monthly parking passes is netted out against parking garage expenditures.

Expenditures for FY15/16 are comprised primarily of three categories: operating expenses, purchase obligation retirement (principal and interest) and the building improvement/upgrade projects such as demising wall, tenant improvements and general maintenance and upkeep.

The District moved into the building as a tenant in 1999 and, in 2002, purchased the building through a bond issue along with other funding. District staff occupy the third floor, approximately 19,200 square feet, and another 2,700 square feet on the second floor. The remaining 16,000+ square feet on the second floor is designated for tenants. The first floor is all covered parking managed on behalf of the District by Standard Parking. In FY2011/12, the District refinanced the bonds used to purchase the building; the net savings realized from the refinance are approximately \$350,000. The purchase obligation is scheduled to be fully paid off in FY2026/27.

### EMISSION TECHNOLOGY FUND 570C

Emission Technology Funds are made available as an incentive for owners of heavy duty on-road vehicles, such as buses and semi-trailers, and owners of off-road equipment, such as that used in agriculture and construction, to modernize their equipment with lower emission options. Options include re-power, retrofit and replacement of the equipment. The total Emission Technology Fund Budget is \$23 million.



The Emission Technology fund provides businesses the resources to fund a portion of the cost to upgrade to a cleaner engine. The Emission Technology Budget includes new revenues of \$16.9 million and use of fund balance (carry forward) in the amount of \$6.1 million for a total of \$23 million. This is a decrease of \$9.9 million from FY14/15 Amended Budget.

Each year, the District receives revenues to fund the Emission Technology programs. Prior year funding received for these programs is budgeted and expended before current year revenues are budgeted. Therefore, use of fund balance (prior year resources) is common in this fund, as well as a movement of significant amounts of funds back into the Emission Technology fund balance. Below is a table reflecting this dynamic with \$16.9 million budgeted for New Revenues and \$6.1 million budgeted from Fund Balance (prior year revenues). It is projected that \$4.1 million of the New Revenues will go back into Fund Balance for future year appropriation, and only prior year funds (Use of Fund Balance) will be expended in the FY15/16 period.

Moyer Incentive Program	4,100,000	
DMV \$2 Match	2,244,811	
GMERP (Prop 1B)	10,500,000	
EPA DERA	86,664	
<b>New Revenues</b>		<b>16,931,475</b>
Moyer Incentive	4,883,411	
GMERP (Prop 1B)	1,180,061	
<b>Use of Fund Balance (Carry Forward)</b>		<b>6,063,472</b>
<b>Total Emission Technology Revenues</b>		<b>22,994,947</b>

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## SECTION 3

### Budget Schedules

#### CONSOLIDATED DISTRICT BUDGET

Description	FY13/14 Actual	FY14/15 Amended	FY 14/15 Projected Actual	FY15/16 Approved	Variance Amended/ Approved
DMV Surcharge/Measure A/Moyer	8,480,310	12,143,063	19,772,799	13,020,107	877,044
Permits	5,996,800	6,402,337	6,316,188	6,751,956	349,619
Federal & State Grants	8,280,997	12,771,203	3,451,106	14,743,530	1,972,327
Other Revenues	1,708,516	1,880,863	1,839,961	1,551,490	(329,373)
Fund Balance	8,271,224	21,237,241	9,807,676	9,853,813	(11,383,428)
<b>Total Revenues</b>	<b>32,737,847</b>	<b>54,434,707</b>	<b>41,187,730</b>	<b>45,920,896</b>	<b>(8,513,811)</b>
Salaries & Benefits	12,011,320	13,018,613	12,451,268	13,396,624	378,011
Services & Supplies	12,390,167	12,113,488	18,030,482	26,077,765	13,964,277
Debt Services	246,644	413,170	410,469	405,632	(7,538)
Capital Expenditures	353,454	913,502	487,335	1,134,302	220,800
Interfund Charges	759,616	1,071,655	1,004,373	806,573	(265,082)
Restricted Fund Balance	6,082,195	26,904,279	8,413,566	4,100,000	(22,804,279)
<b>Total Expenditures</b>	<b>31,843,396</b>	<b>54,434,707</b>	<b>40,797,493</b>	<b>45,920,896</b>	<b>(8,513,811)</b>

#### OPERATING BUDGET 570A

Description	FY13/14 Actual	FY14/15 Amended	FY14/15 Projected Actual	FY15/16 Approved	Variance Amended/ Approved
DMV Surcharge/Measure A/Moyer	6,095,463	6,315,209	8,026,272	6,675,296	360,087
Permits	5,996,800	6,402,337	6,316,188	6,751,956	349,619
Federal & State Grants	3,939,480	4,008,589	3,094,356	4,156,866	148,277
Other Revenues	897,631	787,834	939,800	610,317	(177,517)
Fund Balance	334,085	2,811,459	353,287	3,584,912	773,453
<b>Total Revenues</b>	<b>17,263,459</b>	<b>20,325,428</b>	<b>18,729,903</b>	<b>21,779,347</b>	<b>1,453,919</b>
Salaries & Benefits	12,011,320	13,018,613	12,451,268	13,396,624	378,011
Services & Supplies	3,457,837	5,670,628	3,727,007	6,807,818	1,137,190
Capital Expenditures	259,652	564,532	332,335	768,332	203,800
Interfund Charges	759,616	1,071,655	1,004,373	806,573	(265,082)
<b>Total Expenditures</b>	<b>16,488,425</b>	<b>20,325,428</b>	<b>17,514,983</b>	<b>21,779,347</b>	<b>1,453,919</b>

## Operating Budget 570 – Revenue Detail

Account	Description	FY13/14 Actual	FY14/15 Amended	FY14/15 Projected Actual	FY15/16 Approved	Variance Amended/ Approved
91915100	DMV Surcharge - \$4	4,507,888	4,369,380	4,544,155	4,635,038	265,658
91915200	Measure A	1,474,884	1,557,880	1,558,414	1,636,524	78,644
91919900	DMV Surcharge - \$2 Fees-Admin	112,691	111,250	112,503	115,876	4,626
92926100	Land Use Mitigation Fees	375,251	384,120	441,000	26,200	(357,920)
92929000	ERC - Transfer of Credit	15,662	8,373	5,144	10,793	2,420
92929024	SEED - Loan Fees	11,674	24,745	168,800	36,116	11,371
92929027	SEED - Renewal Fees	56,640	71,540	62,160	69,460	(2,080)
92929031	Reinspection Fees	3,452	3,853	2,355	1,464	(2,389)
92929034	Title V Permit Fees	98,004	111,027	144,388	180,489	69,462
92929035	Source Tests	178,691	181,570	175,725	189,938	8,368
92929051	Initial Fees	684,967	669,939	483,831	519,634	(150,305)
92929052	Stationary Source Renewal Fees	4,465,746	4,908,269	4,941,526	5,357,392	449,123
92929053	Ag Engine Registration Fee	-	3,000	2,000	1,500	(1,500)
92929053	Ag Burning Field Crops	14,689	14,500	14,300	14,500	-
93933000	PERP	144,970	110,000	111,818	110,000	-
93934000	Civil Settlements	252,067	129,130	300,000	300,000	170,870
94941000	Interest	9,934	35,000	30,000	5,000	(30,000)
95953100	Local Gov't	85,339	100,000	76,494	20,000	(80,000)
95953100	SECAT Enhanced	142,846	75,000	47,750	125,000	50,000
95953100	SECAT Grant	767,684	776,202	800,000	600,000	(176,202)
95956900	State Grants	663,067	614,940	669,066	900,180	285,240
95956905	Moyer Admin Fees	-	276,699	578,447	287,858	11,159
95958900	Federal Grants – EPA, CMAQ	2,423,390	2,517,447	2,630,028	2,636,686	119,239
96963313	Miscellaneous Revenues	778	1,000	-	1,000	-
96964100	Planning Service Charges	8,370	6,000	7,500	8,000	2,000
97979016	Asbestos Plan Fees	269,967	250,000	200,000	200,000	(50,000)
97979020	State Toxics Emissions Fees	129,681	142,179	170,941	173,039	30,860
97979022	Variances	2,108	1,000	-	1,000	-
97979024	NOA Asbestos Fees	3,747	6,000	2,000	2,000	(4,000)
97979027	Admin Fees	25,187	53,926	96,271	29,748	(24,178)
<b>New Revenues</b>		<b>16,929,374</b>	<b>17,513,969</b>	<b>18,376,616</b>	<b>18,194,435</b>	<b>680,466</b>
91915100	DMV Surcharge \$4	70,417	1,798,436	-	1,457,041	(341,395)
91915200	Measure A	-	141,500	-	589,416	447,916
92926100	Land Use Mitigation Fees	241,164	512,039	353,287	1,019,851	507,812
92929024	SEED/ERC	-	112,583	-	237,518	124,935
92929052	Stationary Source Permitting Fees	-	-	-	(382,946)	(382,946)
93934000	Settlements/Subvention	-	-	-	195,237	195,237
95953100	SECAT Enhanced	-	73,503	-	251,711	178,208
95953100	Other Local Agencies	257	173,398	-	148,278	(25,120)
95956905	Admin Fees	22,247	-	-	-	-
97979020	State Air Toxics Emissions Fees	-	-	-	68,806	68,806
<b>Fund Balance</b>		<b>334,085</b>	<b>2,811,459</b>	<b>353,287</b>	<b>3,584,912</b>	<b>773,453</b>
<b>Total Operating Revenues</b>		<b>17,263,459</b>	<b>20,325,428</b>	<b>18,729,903</b>	<b>21,779,347</b>	<b>1,453,919</b>

## Operating Budget 570A – Expenditure Detail

Account	Description	FY13/14 Actual	FY14/15 Amended	FY14/15 Projected Actual	FY15/16 Approved	Variance Amended/ Approved
10111000	Salaries & Wages - Regular	8,825,163	9,482,042	9,071,020	9,856,883	374,841
10112100	Salaries & Wages - Extra Help	41,672	60,920	27,286	62,139	1,219
10112400	Salaries & Wages - BOD	4,345	10,000	8,820	10,000	-
10113200	Salaries & Wages - OT	25,661	10,000	29,417	18,784	8,784
10113200	Salaries & Wages - Reimbursed OT	-	5,000	5,000	5,000	-
10114100	Salaries & Wages - Premium Pay	57,421	65,398	62,138	66,706	1,308
10121000	Retirement	1,262,855	1,446,061	1,397,108	1,399,518	(46,543)
10122000	FICA/Medicare	532,766	594,052	550,458	625,117	31,065
10123000	Group Insurance	1,172,814	1,240,195	1,188,795	1,234,450	(5,745)
10124000	Compensation Insurance	63,634	78,000	84,559	90,000	12,000
10125000	Unemployment (SUI)	24,989	26,945	26,668	28,027	1,082
<b>Total Salaries &amp; Benefits</b>		<b>12,011,320</b>	<b>13,018,613</b>	<b>12,451,268</b>	<b>13,396,624</b>	<b>378,011</b>
20200500	Advertising	5,642	37,200	8,533	34,700	(2,500)
20202200	Books/Periodicals - Supplies	1,583	1,400	739	1,454	54
20202300	Audio-Video	3,878	3,700	4,475	4,600	900
20202400	Periodical/Subscriptions	31,507	26,650	35,041	35,755	9,105
20202900	Business and Conference Expense	73,717	60,000	99,319	106,500	46,500
20203500	Education & Training Services	26,308	27,500	22,960	25,000	(2,500)
20203803	Recognition Events	3,250	3,800	4,104	4,700	900
20203804	Workplace Amenities	3,765	3,500	3,674	5,300	1,800
20203900	Employee Transportation	75,616	76,500	69,865	70,815	(5,685)
20204500	Freight/Express/Cartage	1,483	3,000	2,575	2,687	(313)
20205100	Liability Insurance	58,939	65,000	61,451	61,500	(3,500)
20206100	Membership Dues	26,903	21,000	19,541	26,688	5,688
20207600	Office Supplies	43,962	38,000	41,659	42,842	4,842
20217100	Rents/Leases-Real Property	15,260	22,000	18,414	18,990	(3,010)
20219100	Utilities	15,657	16,000	15,933	18,402	2,402
20219700	Communication Services	6,933	5,900	8,739	10,302	4,402
20222600	Expendable Tools	61,490	76,000	55,349	81,065	5,065
20223600	Fuels and Lubricants	18,855	21,000	14,347	15,084	(5,916)
20226100	Office Equipment	11,394	4,500	10,642	12,394	7,894
20227500	Rents/Leases - Equipment	17,850	15,000	17,592	17,937	2,937
20227504	Vehicles	23,455	30,000	37,949	38,455	8,455
20229100	Other Equip Maintenance Service	1,784	1,500	2,760	1,947	447
20231300	Uniform Allowance	1,866	1,250	750	1,122	(128)
20244300	Medical Services	2,753	2,000	726	2,126	126
20250500	Accounting/Financial Services	53,343	51,000	54,500	55,635	4,635
20252100	Temporary Services	7,442	8,000	2,007	5,150	(2,850)
20253100	Legal Services	84,417	211,200	126,895	260,000	48,800
20254400	Safety Program Services	2,645	2,000	2,150	3,602	1,602
20259100	Other Professional Services	2,425,934	4,351,431	2,514,155	5,398,044	1,046,613
20281100	Data Processing Services	144,717	202,378	201,451	87,666	(114,712)
20281201	Hardware	13,497	96,146	94,000	71,200	(24,946)
20281202	Software	53,857	30,100	52,000	135,610	105,510
20281203	IT Supplies	17,451	24,000	15,854	24,000	-
20281204	Technical Training/Publications	5,990	12,000	9,938	18,000	6,000
20289900	Other Operating Services	2,759	2,300	1,393	2,755	455
20292100	GS Printing Services	186	1,810	1,393	13,311	11,501
20292200	GS Mail/Postage Services	14,738	17,000	1,163	13,400	(3,600)
20292300	GS Messenger Services	3,247	3,000	14,357	3,500	500
20292600	GS Stores Charges	-	300	3,424	-	(300)
20292900	GS Work Requests	1,412	2,000	5,516	4,000	2,000
20296200	GS Parking Charges	-	114	-	100	(14)
20298700	GS Telephone Services	30,258	88,449	-	-	(88,449)
20298701	GS Telephone Services - Cell Phone	8,073	-	10,400	12,100	12,100
20298702	GS Circuit Charges	5,957	-	6,093	6,250	6,250
20298703	GS Land Line Charges	48,064	-	52,117	52,030	52,030
20298900	GS Telephone Installation	-	5,000	1,064	1,100	(3,900)
<b>Total Services &amp; Supplies</b>		<b>3,457,837</b>	<b>5,670,628</b>	<b>3,727,007</b>	<b>6,807,818</b>	<b>1,137,190</b>
43430300	Capital Expenditures	259,652	564,532	332,335	768,332	203,800
<b>Total Capital Expenditures</b>		<b>259,652</b>	<b>564,532</b>	<b>332,335</b>	<b>768,332</b>	<b>203,800</b>
50597900	Interfund Charges - Other Services	203,043	265,082	197,800	-	(265,082)
50598000	Transfers (Building)	556,573	806,573	806,573	806,573	-
<b>Total Interfund Charges</b>		<b>759,616</b>	<b>1,071,655</b>	<b>1,004,373</b>	<b>806,573</b>	<b>(265,082)</b>
<b>Total Operating Expenditures</b>		<b>16,488,425</b>	<b>20,325,428</b>	<b>17,514,983</b>	<b>21,779,347</b>	<b>1,453,919</b>

**COVELL BUILDING BUDGET 570B**

Account	Description	FY13/14 Actual	FY14/15 Amended	FY14/15 Projected Actual	FY15/16 Approved	Variance Amended/ Approved
94941000	Interest Income	6,083	2,500	5,000	2,000	(500)
96969000	Building Rent	239,198	183,956	57,588	132,600	(51,356)
59599100	Transfers (Rent)	556,573	806,573	806,573	806,573	-
	Fund Balance	-	236,743	93,608	205,429	(31,314)
<b>Total Revenues</b>		<b>801,854</b>	<b>1,229,772</b>	<b>962,769</b>	<b>1,146,602</b>	<b>(83,170)</b>
20211100	Building Operating	341,991	467,632	397,300	375,000	(92,632)
30321000	Interest	146,644	140,170	140,469	130,632	(9,538)
30322000	Annual COP Admin Fees	-	3,000	-	-	(3,000)
30323000	Lease Obligation	100,000	270,000	270,000	275,000	5,000
43430300	Capital Expenditures	93,802	348,970	155,000	365,970	17,000
<b>Total Expenditures</b>		<b>682,437</b>	<b>1,229,772</b>	<b>962,769</b>	<b>1,146,602</b>	<b>(83,170)</b>

**EMISSION TECHNOLOGY BUDGET 570C**

Account	Description	FY13/14 Actual	FY14/15 Amended	FY14/15 Projected Actual	FY15/16 Approved	Variance Amended/ Approved
91919900	DMV \$2 Match	2,239,600	1,900,000	2,158,474	2,244,811	344,811
94941000	Interest	9,031	100,000	31,000	-	(100,000)
95956900	GMERP (Prop 1B)	3,587,936	7,546,000	1,400,902	10,500,000	2,954,000
95956905	Moyer	145,247	3,927,854	8,187,151	4,100,000	172,146
95958900	EPA Ag Locomotive	695,581	825,000	824,683	-	(825,000)
95958901	EPA DERA	58,000	391,614	356,750	86,664	(304,950)
<b>New Revenues</b>		<b>6,735,395</b>	<b>14,690,468</b>	<b>12,958,960</b>	<b>16,931,475</b>	<b>2,241,007</b>
91919900	DMV \$2 Match	1,765,073	8,264,275	1,900,000	-	(8,264,275)
94941000	Interest	500,642	200,000	-	-	(200,000)
95956900	GMERP (Prop 1B)	40,000	9,495,201	6,757,100	1,180,061	(8,315,140)
95956905	Moyer	5,631,424	229,563	703,681	4,883,411	4,653,848
<b>Fund Balance</b>		<b>7,937,139</b>	<b>18,189,039</b>	<b>9,360,781</b>	<b>6,063,472</b>	<b>(12,125,567)</b>
<b>Total Revenues</b>		<b>14,672,534</b>	<b>32,879,507</b>	<b>22,319,741</b>	<b>22,994,947</b>	<b>(9,884,560)</b>
20259100	Other Professional Svc	8,590,339	5,975,228	13,906,175	18,894,947	12,919,719
20259100	Restricted Fund Balance	6,082,195	26,904,279	8,413,566	4,100,000	(22,804,279)
<b>Total Expenditures</b>		<b>14,672,534</b>	<b>32,879,507</b>	<b>22,319,741</b>	<b>22,994,947</b>	<b>(9,884,560)</b>

**SUMMARY OF FINANCIAL SOURCES, USES AND FUND BALANCE**

Fund	Fund Balance 6/30/2014	Projected Revenues FY14/15	Projected Expenditures FY14/15	Fund Balance Sources (Uses)	Projected Fund Balance 6/30/2015
<b>Operating 570A</b>	<b>12,111,122</b>	<b>18,376,616</b>	<b>17,514,983</b>	<b>861,633</b>	<b>12,972,755</b>
Land Use Mitigation	1,806,691	441,000	535,009	(94,009)	1,712,682
Mobile Source/Air Monitoring	8,967,986	10,963,534	10,154,424	809,110	9,777,096
Air Toxics	14,410	170,941	132,248	38,693	53,103
Stationary Source Permitting	209,301	6,160,247	6,076,077	84,170	293,471
Contingency	320,000	-	-	-	320,000
Unassigned	792,734	640,894	617,224	23,670	816,404
<b>Covell Building 570B</b>	<b>1,690,683</b>	<b>869,161</b>	<b>962,769</b>	<b>(93,608)</b>	<b>1,597,075</b>
<b>Emission Technology 570C</b>	<b>8,277,548</b>	<b>12,958,960</b>	<b>13,906,175</b>	<b>(947,215)</b>	<b>7,330,333</b>
<b>Total</b>	<b>22,079,353</b>	<b>32,204,737</b>	<b>32,383,927</b>	<b>(179,190)</b>	<b>21,900,163</b>

Fund	Projected Fund Balance 6/30/2015	Proposed Revenues FY15/16	Proposed Expenditures FY15/16	Fund Balance Sources (Uses)	Projected Fund Balance 6/30/2016
<b>Operating 570A</b>	<b>12,972,755</b>	<b>18,194,435</b>	<b>21,779,347</b>	<b>(3,584,911)</b>	<b>9,387,844</b>
Land Use Mitigation	1,712,682	26,200	1,044,987	(1,018,787)	693,895
Mobile Source/Air Monitoring	9,777,096	10,693,526	13,396,051	(2,702,525)	7,074,571
Air Toxics	53,103	173,039	241,340	(68,301)	(15,198)
Stationary Source Permitting	293,471	6,660,670	6,267,146	393,524	686,995
Contingency	320,000	-	-	-	320,000
Unassigned	816,404	641,000	829,823	(188,823)	627,581
<b>Covell Building 570B</b>	<b>1,597,075</b>	<b>941,173</b>	<b>1,146,602</b>	<b>(205,429)</b>	<b>1,391,646</b>
<b>Emission Technology 570C</b>	<b>7,330,333</b>	<b>16,931,475</b>	<b>18,894,947</b>	<b>(1,963,472)</b>	<b>5,366,861</b>
<b>Total</b>	<b>21,900,163</b>	<b>36,067,083</b>	<b>41,820,896</b>	<b>(5,753,812)</b>	<b>16,146,351</b>

**CAPITAL IMPROVEMENT PROGRAM**

Program	Description	Amount
Air Monitoring - PAMS	Folsom Trailer	100,000
Air Monitoring - NAMS	NH Trailer/Electrical	150,000
Air Monitoring - NAMS	NO <sub>2</sub> Analyzer (3)	94,500
Air Monitoring - PAMS	Teco 55 Gas Support System	15,000
Air Monitoring - NAMS	Laboratory Chamber	20,000
Air Monitoring - PAMS	Transfer Standard	23,000
Air Monitoring - NAMS/PAMS	Digital Data Logger	6,000
Air Monitoring - NAMS	Near Road Monitoring Station	220,000
Information Services	End User Switches (2)	16,800
Information Services	Network Storage Expansion License	10,032
Information Services	Media Gateway for Lync	10,000
Information Services	Windows Server License	13,000
Fleet	Replace Prius fleet vehicles (3)	90,000
<b>Total - Operating Fund</b>		<b>768,332</b>
Tenant improvements		161,220
Carpet replacement		99,750
IT HVAC		-
ADA updates		40,000
Countertops		5,000
Roof Ladder		5,000
Electrical upgrade		5,000
General Building upgrades		50,000
<b>Total - Covell Building Fund</b>		<b>365,970</b>
<b>Total Capital Expenditures</b>		<b>1,134,302</b>

The capital projects include:

***Program Coordination***

- Folsom and North Highlands air monitoring trailers in need of upgrading
- NO<sub>2</sub> analyzer replacements for air monitoring sites
- Teco replacement for H<sub>2</sub> Gas Generator in the event one of the four existing H<sub>2</sub> Generators needs replacement
- Replacement of aging Laboratory Chamber
- Replace older portable Transfer Standard for gas calibration
- Replace older Data Logger with Digital Data Logger
- Construction of Near Road air monitoring site

***Administration***

- Network switches to replace old switches
- License to accommodate additional storage
- Lync Gateway to enable Microsoft Lync for conferencing, VOIP and instant messaging
- Vehicle replacement – Replace fleet vehicles as they approach 100K miles, consistent with District fleet replacement plan

*Note: Capital Expenditures have a value of at least \$5,000 and a useful life of at least three years.*

**DEBT OBLIGATION**

The District may “incur” long-term debt for certain purposes, such as the purchase of real property, but is not authorized to “issue” long-term debt. The Districts only long-term debt is for the purchase of its current facility. The details of that debt obligation are covered below. The District does not anticipate incurring any additional long-term debt at this time.

In February 2002, the District issued Certificates of Participation (COPs) in the amount of \$5,835,000 which was used to purchase the building where the District’s operations are based. On March 8, 2012, the District refinanced the original COPs with CSDA 2012 Certificates of Participation. The refinance will save the District approximately \$350,000 over the life of the loan. As of March 8, 2012, the outstanding principal balance was \$4,350,000. Savings from the refinance were taken up front and no principal payments were made in the first two years. The principal balance outstanding on June 30, 2015 will be \$3,980,000. In FY15/16, a \$275,000 principal payment will be made. The annual principal and interest payment is included in the Building Fund portion of the budget. The certificates mature as shown in the following table:

Year Ending June 30	Principal	Interest	Total
2016	275,000	130,631	405,631
2017	285,000	121,544	406,544
2018	295,000	112,844	407,844
2019	305,000	103,843	408,843
2020	315,000	94,544	409,544
2021	325,000	85,350	410,350
2022	330,000	75,931	405,931
2023	345,000	65,591	410,591
2024	355,000	53,100	408,100
2025	370,000	38,600	408,600
2026	385,000	23,500	408,500
2027	395,000	7,900	402,900
<b>TOTALS</b>	<b>\$3,980,000</b>	<b>\$913,378</b>	<b>\$4,893,378</b>

## SPONSORSHIPS

The District receives numerous requests for funding from various organizations for a variety of events. The Board of Directors has granted the APCO flexibility in providing sponsorships for events so that the District can respond in a timely manner to such requests.

Staff anticipates funding sponsorships totaling \$163,750 during FY15/16 as noted below. These Sponsorships are approved as part of the budget process, and the funds are expended at the appropriate time of the year upon receipt of a valid invoice from the sponsored organization. Following the table is a brief description of the sponsorships.

For the Unallocated Sponsorship funds, the APCO is authorized to approve sponsorship requests up to \$5,000 and is required to notify the Board in advance of any sponsorship over \$1,500 from the unallocated funding source.

FY15/16 Sponsorships	Amount
ACT Awards – Association of Commuter Transportation	500
Alliance of Regional Collaboratives for Climate Adaption	5,000
American Lung Walk Event – 2016 Fight for Air Walk	1,000
California Adaptation Forum	10,000
CAP and Trade Program Review	10,000
CAPCOA Greenhouse Gas Registry/Exchange	10,000
Capital Public News Environment – News Initiative	6,500
Capital Region Climate Readiness Collaborative	10,000
Convention & Visitors Bureau Farm to Fork to Fuel	5,000
ECOS - Earth Day of Sacramento	1,000
ECOS - Environmentalist of the Year Award	1,000
Friends of the Light Rail (Annual event)	1,000
LGC - Capitol Region Local Policy Makers Program	10,000
LGC - New Partners for Smart Growth Conference	10,000
Million Mile May Bike Event	5,000
Power House Science Center	10,000
Power House Science Center – Annual Scientist Event	500
Sacramento Area Sustainable Business Award	1,500
Sacramento Tree Foundation - Greenprint Summit	1,000
Sacramento Tree foundation - Sacramento Tree Event	1,500
State of RT Event	1,500
Tall Order Conference	10,000
Toast to Clearing the Air Event	1,750
Unallocated	45,000
Valet Bike Parking Program	5,000
<b>TOTAL</b>	<b>\$163,750</b>

## ***Sponsorship Descriptions***

### **ACT AWARDS**

The Association of Commuter Transportation (ACT) is a non-profit organization that brings together transportation professionals in support of alternative modes of transportation. Their work directly supports the goals of the District to reduce emissions. This allocation will support their annual awards event.

### **ALLIANCE OF REGIONAL COLLABORATIVE FOR CLIMATE ADAPTATION (ARCCA)**

ARCCA's mission is to advance climate resilience activities (fire, water, flood, agriculture) in regions across the state by sharing information and best practices, developing stronger more effective partnerships. Sacramento is one of five regions interacting with state agencies to ensure that regional level resilience activities receive appropriate attention and funding in state planning efforts.

### **AMERICAN LUNG WALK EVENT**

This is an annual event that takes place in Sacramento with one of the key organizations supporting air district work in the state.

### **CALIFORNIA ADAPTATION FORUM**

This event is a statewide conference in Sacramento that will bring over 800 people together to discuss adaptation and resilience in responding to common environmental themes such as wildfires, flood, and sea level rise. The conference will not only bring academic and policy experts from throughout California but will connect the state to national efforts in the same area. In addition, the conference will allow local and regional agencies, county and city staff to influence state policy direction in these areas.

### **CAP AND TRADE PROGRAM**

The Cap and Trade funding provided in the 2014-2015 State Budget is critical funding for many programs in the Sacramento Region. It is imperative that the District have a tracking mechanism for program data, applications and planning for upcoming submissions from regional partners. This sponsorship provides the District's share of the funding for managing this program.

### **CAPCOA GREENHOUSE GAS REGISTRY/ EXCHANGE**

CAPCOA Greenhouse Gas Registry/Exchange, CAPCOA GHG R/X, is a mechanism to recognize and bank credits from in state programs that reduce Greenhouse gases. All credits must meet strict protocols approved by the CAPCOA Board. This funding pays the District's share of the Exchange.

### **CAPITAL PUBLIC RADIO (CPR) ENVIRONMENT-- NEWS INITIATIVE**

The District partners with a wide range of agencies, regional partners, business interests and CPR to provide environmental and energy news for the region. This highly successful initiative ensures the availability of fair and experienced environmental news and has provided excellent public outreach for air district programs.

### **CAPITAL REGION CLIMATE READINESS COLLABORATIVE (CRC)**

The CRC is a regional network of related activities designed to promote greater coordination and cooperation at the local and regional level to adapt to current and future resilience related impacts of climate change. Through this collaborative, leadership from regional and local government, the business community, academia, labor, environmental and community groups can work together to inform state and federal policy decision makers about the latest research and resources available to assist communities in the Sacramento region.

The CRCs purpose is to provide a better understanding of existing research on local impacts, identify and fill information gaps, share information, foster partnerships, develop strategies to reduce risk and increase community resilience, assist in accessing resources, and promote businesses related to a green economy by encouraging sustainable communities and economic development.

## **CONVENTION & VISITORS BUREAU FARM TO FORK TO FUEL – CLEAN CITIES CONFERENCE**

This event is a regional initiative to enhance a key industry in California and Sacramento Region in a variety of ways. Agencies collaborate in improving the regional economy and environment in addition to highlighting unique aspects of the Sacramento Region.

## **ENVIROMENTAL COUNCIL OF SACRAMENTO (ECOS)**

### **EARTH DAY SACRAMENTO**

ECOS is a coalition of environmental and civic organizations supporting efforts to coordinate land use and transportation to discourage sprawl, thereby improving air quality. On Earth Day each year ECOS hosts an event that attracts upwards of 10,000 people.

### **ENVIRONMENTALIST OF THE YEAR AWARD**

Each year ECOS hosts an event recognizing leadership in environmental stewardship. Awards are given to individuals, companies, public officials & developers of environmentally-conscious projects.

## **FRIENDS OF LIGHT RAIL**

The Friends of Light Rail advocates for the expansion of Sacramento's transit system and implementation of transit friendly land use policies and projects. Their efforts directly improve air quality by decreasing auto use through increased transit ridership. This sponsorship supports their annual event to recognize successful projects and leaders.

## **LOCAL GOVERNMENT COMMISSION (LGC)**

### **CAPITAL REGION LOCAL POLICY MAKERS PROGRAM**

These events allow elected officials from the region to discuss issues of mutual concern and learn about strategies to reduce emissions, including more walkable communities and transit-oriented development. The events include presentations by experts in various planning areas that are significant to sustainable growth and successful line of communications of new initiatives and innovative concepts.

### **NEW PARTNERS FOR SMART GROWTH CONFERENCE**

The LGC is a non-profit, non-partisan membership organization that provides technical support to public officials regarding sustainability, including land use and energy strategies. The LGC hosts numerous conferences each year, including a Yosemite Ahwahnee Principles Conference and a national planner's conference. This sponsorship supports LGC efforts to assist public officials to implement strategies that result in more livable communities, which is often attended by the District's Board members.

## **MILLION MILE MAY – SACOG**

This sponsorship supports efforts to get people out of their cars and onto a bicycle for commute, shopping and recreation trips. May 2016 will be the 11th year of this program, which is a key event supporting biking in the Sacramento Region.

## **POWER HOUSE SCIENCE CENTER**

### **POWER HOUSE SCIENCE CENTER**

The Powerhouse Science Center promotes science and learning among students and provides millions of dollars for the local economy. This sponsorship will be the third of a ten year commitment at \$10,000 per year. It offers an opportunity to have air quality information and exhibits in the facility and potential leverage with other state and federal air quality funding partnerships.

### **POWER HOUSE SCIENCE CENTER – ANNUAL SCIENTIST EVENT**

This supports a Powerhouse Science Center - Science Communication Fellowship program that educates and certifies scientists, engineers, graduate students, researchers, and other science-based professionals as science ambassadors, subsequently becoming excellent communicators in the air quality topic areas.

**SACRAMENTO AREA SUSTAINABLE BUSINESS AWARD**

The District has partnered with BERC for many years with BERC providing ombudsman type services that meet some of the District EPA small business outreach requirements. BERC is now partnering with the Sacramento Chamber of Commerce for their yearly Sacramento Area Sustainable Business Awards, an award ceremony the District has long supported. It will benefit the District's business outreach goals to help sponsor this event.

**SACRAMENTO TREE FOUNDATION****GREENPRINT SUMMIT**

The Greenprint Summit is a venue where speakers from around the nation share policy and research insights on how trees impact communities. In 2014 the Summit was on trees' benefits on human health and the District is interested in pursuing a mitigation option for developers using trees in a more robust manner.

**SACRAMENTO TREE EVENT**

The District has many programs working with the Sacramento Tree Foundation and partnering with them for their annual event is appropriate.

**STATE OF RT EVENT**

Sacramento Regional Transit (RT) is a consistent and important partner with the District in cleaning up the air in Sacramento. This event helps highlight RT planning and programs at an event well attended by many key leaders and staff in the region.

**TALL ORDER CONFERENCE**

This will be the 10th anniversary of the program that validated the Blue Print process and plan. The District will support the conference, which not only is a celebration but a working conference looking to the future of the region.

**TOAST TO CLEARING THE AIR EVENT**

This is an event sponsored by the Coalition for Clean Air recognizing key progressive businesses across the state, including a number that are key partners to the District.

**UNALLOCATED**

These funds address requests that come in throughout the year and are expended according to the parameters set forth in the introduction to this section.

**VALET BIKE PARKING PROGRAM**

This program is operated by Sacramento Area Bicycle Advocates (SABA) and the Folsom Chapter. Over the past three years they have provided valet bike parking services at more than 60 events including the Amgen Tour of California, California Capital Air show, Earth Day, Sacramento Bike fest, Friday Night Concerts and the Salmon Festival. They parked 9,000+ bikes in the first two years. SABA's valet bike parking has been recognized by Sacramento Magazine as a Best of Sacramento, "Best Relief from Parking Grief" and received a Clean Air Award from Breathe California Sacramento Emigrant Trails. This is a program that truly gives residents the option to bike to events and safely store their bikes, taking many cars off the road in the process.

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## SECTION 4

### Staffing

#### STAFFING

The District has 102 total positions, of which 96 are funded and 6 are unfunded. The summary of changes for FY15/16 include funding two existing positions: An Air Quality Engineer and an Air Quality Planner that have remained unfunded since FY11/12. Additional information is provided in the Position Requests section of the Budget.

#### Positions by Classification

Classification	FY14/15	Changes	FY15/16 Approved
Administrative Assistant I/II	2.00		2.00
Air Pollution Control Officer	1.00		1.00
Air Quality Engineer	19.50	1.00	20.50
Air Quality Instrument Specialist I/II	3.00		3.00
Air Quality Planner / Analyst	10.00	1.00	11.00
Air Quality Specialist	18.60		18.60
Clerical Services Supervisor	1.00		1.00
Communications & Marketing Specialist	1.90		1.90
Controller	1.00		1.00
District Counsel	1.00		1.00
Division Manager	4.00		4.00
Executive Assistant / Clerk of the Board	1.00		1.00
Financial Analyst	1.00		1.00
Fiscal Assistant I/II	1.00		1.00
Human Resources Assistant I/II	2.00		2.00
Human Resources Officer	1.00		1.00
Information Systems Administrator	1.00		1.00
Information Systems Analyst	2.00		2.00
Legal Assistant I/II	1.00		1.00
Office Assistant I/II	2.00		2.00
Program Coordinator	12.00		12.00
Program Supervisor	5.00		5.00
Senior Accountant	1.00		1.00
Statistician	1.00		1.00
<b>TOTAL FUNDED</b>	<b>94.00</b>	<b>2.00</b>	<b>96.00</b>
Administrative / Legal Analyst	1.00		1.00
Air Quality Engineer	2.00	-1.00	1.00
Air Quality Planner/Analyst	1.00	-1.00	0.00
Air Quality Specialist	2.00		2.00
Office Assistant I/II	1.00		1.00
Program Coordinator	1.00		1.00
<b>TOTAL UNFUNDED</b>	<b>8.00</b>	<b>-2.00</b>	<b>6.00</b>
<b>TOTAL FUNDED &amp; UNFUNDED</b>	<b>102.00</b>	<b>0.00</b>	<b>102.00</b>

Below are tables with the number of positions in each of the Operating Divisions and the Pay Schedule by classification.

### Positions by Operating Division

Classification	Admin Services	COLUMNS	Program Coordination	Stationary Sources	Total
Administrative Assistant I/II	2				<b>2</b>
Air Pollution Control Officer	1				<b>1</b>
Air Quality Engineer		6	5.5	9	<b>20.5</b>
Air Quality Instrument Specialist I/II			3		<b>3</b>
Air Quality Planner / Analyst	1	8	2		<b>11</b>
Air Quality Specialist		4	2	12.6	<b>18.6</b>
Clerical Services Supervisor	1				<b>1</b>
Communications & Marketing Specialist		1.9			<b>1.9</b>
Controller	1				<b>1</b>
District Counsel	1				<b>1</b>
Division Manager	1	1	1	1	<b>4</b>
Executive Assistant / Clerk of the Board	1				<b>1</b>
Financial Analyst	1				<b>1</b>
Fiscal Assistant I/II	1				<b>1</b>
Human Resources Assistant II	2				<b>2</b>
Human Resources Officer	1				<b>1</b>
Information Systems Administrator	1				<b>1</b>
Information Systems Analyst	2				<b>2</b>
Legal Assistant II	1				<b>1</b>
Office Assistant II	2				<b>2</b>
Program Coordinator		4	3	5	<b>12</b>
Program Supervisor	1	1	1	2	<b>5</b>
Senior Accountant	1				<b>1</b>
Statistician			1		<b>1</b>
<b>TOTAL FUNDED<sup>1</sup></b>	<b>22</b>	<b>25.9</b>	<b>18.5</b>	<b>29.6</b>	<b>96</b>
Administrative / Legal Analyst	1				<b>1</b>
Air Quality Engineer			1		<b>1</b>
Air Quality Specialist				2	<b>2</b>
Office Assistant	1				<b>1</b>
Program Coordinator	1				<b>1</b>
<b>TOTAL UNFUNDED</b>	<b>3</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>6</b>
<b>TOTAL FUNDED &amp; UNFUNDED</b>	<b>25</b>	<b>25.9</b>	<b>19.5</b>	<b>31.6</b>	<b>102</b>

<sup>1</sup>Partial position counts reflect part-time status of a few District staff.

### Pay Schedule

Classification	Monthly	
	Minimum	Maximum
Administrative Assistant I	5,166	6,280
Administrative Assistant II	5,596	6,801
Air Pollution Control Officer (Board approved contract)		15,891
Administrative / Legal Analyst	6,596	8,018
Air Quality Engineer (Assistant)	5,940	7,221
Air Quality Engineer (Associate)	6,899	8,386
Air Quality Instrument Specialist I	4,914	5,974
Air Quality Instrument Specialist II	5,512	6,700
Air Quality Planner / Analyst (Assistant)	5,940	7,221
Air Quality Planner / Analyst (Associate)	6,899	8,386
Air Quality Specialist (Assistant)	5,940	7,221
Air Quality Specialist (Associate)	6,899	8,386
Clerical Services Supervisor	3,755	4,563
Communications & Marketing Specialist (Assistant)	5,940	7,221
Communications & Marketing Specialist (Associate)	6,899	8,386
Controller	7,499	10,049
District Counsel (Board approved contract)		16,582
Division Manager	9,522	12,760
Executive Assistant / Clerk of the Board	4,914	5,974
Financial Analyst	5,652	6,870
Fiscal Assistant I	3,154	3,833
Fiscal Assistant II	3,467	4,214
Human Resources Assistant I	3,643	4,429
Human Resources Assistant II	4,066	4,943
Human Resources Officer	6,899	8,386
Information Systems Administrator	7,144	8,684
Information Systems Analyst (Assistant)	4,818	5,857
Information Systems Analyst (Associate)	5,679	6,904
Legal Assistant I	4,006	4,869
Legal Assistant II	4,606	5,600
Office Assistant I	2,784	3,383
Office Assistant II	3,122	3,794
Program Coordinator	7,206	9,657
Program Supervisor	8,284	11,101
Senior Accountant	5,652	6,870
Statistician	6,899	8,386

*In addition to the pay schedules listed above, the District provides special compensation as follows:*

- a. Division Managers receive a 5% salary management differential.
- b. Employees may receive incentive pay equal to 5% of their salary if they have earned professional certifications or licenses relevant to their job, such as Professional Engineer or Certified Public Accountant Certificate or job relevant doctorate degrees.
- c. The District pays 1% of the employee member contribution for retirement in the form of an Employer Paid Member Contribution (EPMC).

### ***Position Requests***

The Executive Director/Air Pollution Control Officer is requesting to fund two existing position: An Air Quality Engineer for the Permitting Section in the Stationary Sources Division, and an Air Quality Planner in the Program Coordination Division.

Classification: Air Quality Engineer

FTE Requested: 1.0

Division: Stationary Sources

Classification: Air Quality Planner/Analyst

FTE Requested: 1.0

Division: Program Coordination

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#### Air Quality Engineer Justification

This is an existing position that was vacated in 2010 and has remained unfunded since FY11/12. The Permitting Section is composed of three primary programs; permitting, Title V and the Air toxics "Hot Spots" program. Although the Permitting Section has implemented a number of efficiency measures over the last 15 years, the complexity of the regulations and programs continue to grow. The additional workload associated with new requirements can no longer be sustained by the existing permitting staff. By funding this vacant Air Quality Engineer position, the Permitting Section will be able to continue to fulfill its obligations for all its programs and provide timely permitting support to local businesses.

#### Fiscal Impact

The FY15/16 fiscal impact, including salaries and benefits, is approximately \$129,000.

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#### Air Quality Planner Justification

This is an existing position that has remained unfunded since FY11/12. The Program Coordination Division is composed of four primary sections; Rule Development, Planning, Emission Inventory, and Air Monitoring. Funding one position (1.0 FTE) in the Program Coordination Division will support work on the Ozone and the PM<sub>2.5</sub> plans. The PM<sub>2.5</sub> Plan has become urgent in support of SACOG getting its conformity budget approved. The funding of this position will also support the District's succession planning efforts.

#### Fiscal Impact

The FY15/16 fiscal impact, including salaries and benefits, is approximately \$129,000.

## SECTION 5

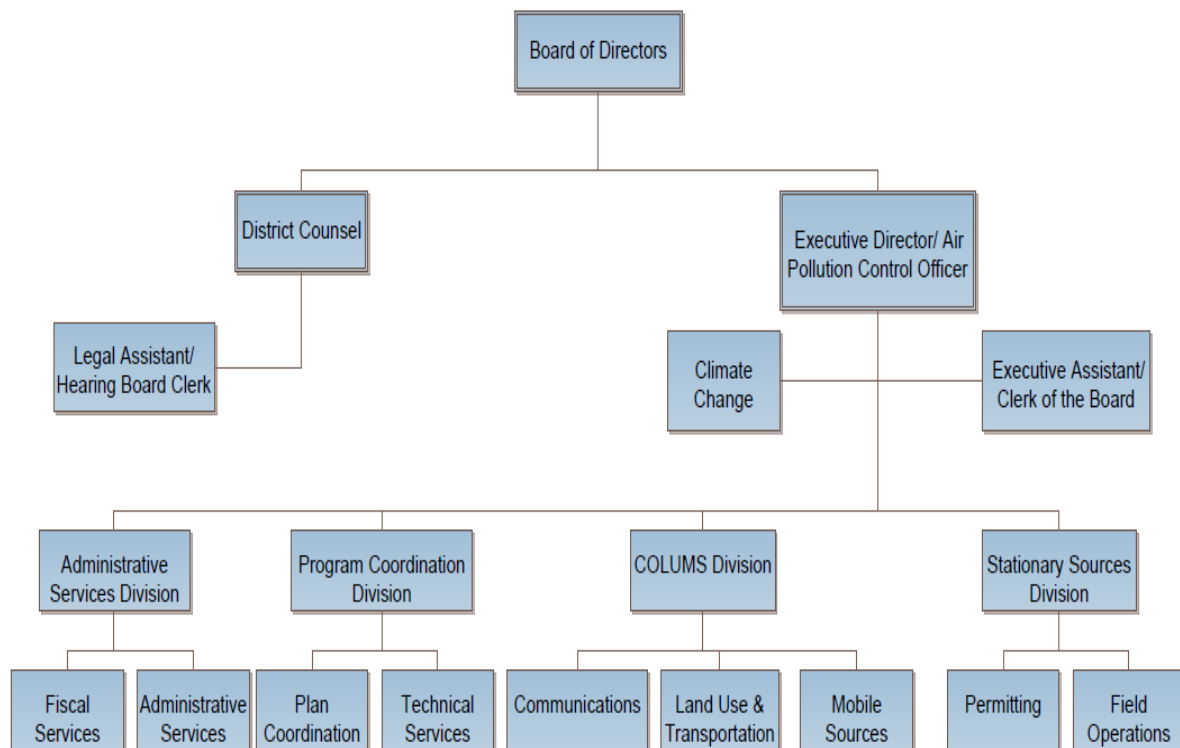
# Organizational Overview

### ORGANIZATION SUMMARY

#### *Organization Chart and Staffing*

The District is governed by a fourteen member Board of Directors, including representatives for the county of Sacramento and the cities of Sacramento, Citrus Heights, Elk Grove, Folsom, Rancho Cordova, Galt and Isleton.

The organizational structure is comprised of the Offices of the Executive Director and District Counsel and four operating divisions. There are a total of 102 positions, 96 of which are funded in FY15/16. The District's organization chart and staffing table by office/division are shown below.



### **Section/Division Function and Key Initiatives**

The District's organizational structure aligns with its vision and mission. The structure supports the complex relationship between tasks, workflows, responsibilities and authorities, and ensures these all support the objectives of the organizational strategy and mandate. Below are tables identifying the primary functions of each Section/Division along with the key initiatives of the four operating divisions.

## **OFFICE OF THE EXECUTIVE DIRECTOR AND DISTRICT COUNSEL**

### **Program Summary**

<b>PROGRAM</b>	<b>DESCRIPTION</b>
<b>Executive Director</b>	Under direction from the Board of Directors, The Executive Director/Air Pollution Control Officer (APCO) is responsible for overall management of the District. This includes overseeing establishment of policies and procedures, formulation of alternatives and recommendations, overall management of personnel and resources and development and implementation of air quality related programs.
<b>Clerk of the Board of Directors</b>	Maintains the official record of the Board of Directors meetings. Schedules Board meetings, prepares meeting agenda and packets, archives action summaries and provides administrative services to the Executive Director.
<b>Climate Change</b>	The District is helping the Sacramento region reduce its climate change impacts while becoming more resilient to those impacts. Projects focus on local greenhouse gas mitigation, tracking and monitoring state and federal policies and programs, partnering with other air districts and organizations on projects, and building a regional collaborative to help prepare for extreme weather and other climate impacts.
<b>District Counsel</b>	Advises staff on various legal issues including human resources, air quality enforcement, new legislation, and contracts. Reviews all proposed resolutions, rules and regulations, and other Board matters for legal adequacy. Represents the District before the Hearing Board and in litigation activities.
<b>Hearing Board Clerk</b>	Provides administrative support to the District's Hearing Board, which is a quasi-judicial panel that hears petitions for variances, and abatement orders, as well as appeals of the Executive Officers permit and emission reduction credit determinations. Members are appointed by, but act independently of, the Sacramento Metropolitan Air Quality Management District Board. The Hearing Board membership includes a person from the medical profession, a professional engineer, an attorney, and two members of the public.

## ADMINISTRATIVE SERVICES DIVISION

**Program Summary**

PROGRAM	DESCRIPTION
<b>Fiscal Services</b>	Ensures compliance with accounting regulations and requirements, manages the development of the District's annual proposed and approved operating budgets, coordinates financial audits by source agencies and independent auditors, ensures timely and accurate tracking of payroll expenses, and provides financial reports to management and the operating divisions. Provides oversight of Measure A, DMV, EPA 103 and 105 grants, CMAQ, SECAT, Moyer and other grant funds.
<b>Contracts</b>	Develops new contracts and contract amendments, oversees the request for proposals process, develops and maintains contract database, prepares routine contract status reports.
<b>Human Resources</b>	Conducts recruitments and provides guidance in the retention of high quality staff, ensures compliance with federal and state employment law and regulations, coordinates personnel related training, addresses employee issues or concerns, communicates District personnel policy, processes payroll and administers district benefits.
<b>Document Management Reception</b>	Greet customers, answers questions and directs inquiries to appropriate staff, logs complaints, permit information and records into databases, compiles receipts and organizes budget documentation. Purchases and maintains office supplies and office equipment. Processes public information requests. Coordinates documents retention and storage consistent with records retention policy.
<b>Asset Management</b>	Oversees building management contracts, parking garage, and tenant improvements. Handles building, air monitoring facilities maintenance and rehabilitation replacement needs. Oversees vehicle fleet acquisition and maintenance and related contracts.
<b>Information Technology</b>	Provides technology solutions, manages the information technology network, coordinates hardware and software acquisition and maintenance services, provides desktop support, maintains the District website, and oversees related contracts.
<b>Legislative Affairs</b>	Works closely with contract lobbyist and District staff to monitor and analyze state and federal legislation that has a potential impact on air quality programs

**Administrative Services Key Initiatives*****Asset Management***

Initiate a formal and comprehensive process to manage the District's major assets, including the main office, air monitoring stations, fleet vehicles and computer equipment. The asset management process will provide a short and long-term look at the district's asset requirements allowing the district to optimize the usefulness of its assets over their lifecycle.

***Information Management***

Undertake a number of initiatives to facilitate the overarching initiative of enhancing its information management: Revisit meetings, meeting schedules and agendas to ensure that important information is shared in a timely manner and that time spent in meetings is used effectively; develop interactive, customer-centric websites to ensure important information is readily available to district stakeholders; leverage available technologies to implement workflow automation to streamline several business processes; and integrate data management systems and apply data retention schedules to ensure optimum management of district data.

### ***Employee Services***

Enhance the focus and commitment to attracting and retaining talented and engaged employees by providing a supportive environment which allows and encourages to be at their best and to support each other and District stakeholders: Areas of increased employees focus include:

- a. Effective District-wide communication
- b. Education, development and team learning
- c. Employee health & wellness
- d. Performance management and feedback process
- e. Recognition programs that support excellence in performance

### ***Fiscal Processes***

Streamline and improve select fiscal processes in order to improve efficiency, enhance transparency and to create a culture of information exchange.

## COMMUNICATIONS OFFICE, LAND USE, AND MOBILE SOURCES COLUMNS DIVISION

### Program Summary

PROGRAM	DESCRIPTION
Communications Office	Informs residents about Sacramento's severe air quality problem and educates them on how their actions can help improve air quality and protect public health through public education programs, marketing and community outreach, advisory notices and informational material.
	Administers "Spare The Air", a voluntary program that asks residents to reduce emission gathering activity on days when ozone is forecast to be high, and the Check Before You Burn program.
Transportation and Land Use	Works to reduce mobile source emissions through reduction in vehicle trips and miles traveled by developing and implementing strategies that influence transportation planning and programming, land use planning and project development.
Vehicle Technology	Develops and implements strategies and demonstrates technology available to fleet owners aimed at reducing emissions from vehicular sources.

### COLUMNS Key Initiatives

#### ***Project Recruitment***

Increase the emphasis on efforts to recruit qualifying mobile source projects that can achieve maximum Greenhouse Gas (GHG) and NOx reductions.

#### ***Program Funding***

Seek additional funding sources to supporting the Sacramento Clean Cities' Program, the California Air Resources Board's (CARB) Cap & Trade funding and EPA's Diesel Emissions Reduction Program.

#### ***Land Use Review Process Enhancement***

Update a number of specific guidance documents to be incorporated into the District's land use review processes, including roadway protocol, land use guidance as it relates to CARB's land use efforts and the OEHA toxics process.

#### ***Mitigation Strategy Expansion***

Expand available mitigation strategies for NOx, PM and GHG & provide education to contractors and developers.

#### ***Spare the Air program enhancements***

Incorporate additional voluntary emission reduction elements into the Spare the Air Program that reduce ozone precursors and GHG and quantify the overall emission reduction and GHG benefits of the program.

#### ***Organic Waste Recycling***

Continue to push the agenda for recycling organic waste (as in Farm to Fork to Fuel) for major ozone precursor and GHG reductions.

#### ***Personal Air Monitor Program***

Provide public relations and outreach support to the personal air monitor pilot program.

## PROGRAM COORDINATION DIVISION

**Program Summary**

PROGRAM	DESCRIPTION
Planning	Develops plan to ensure compliance with state and federal clean air acts, prepares the District's annual report on progress toward achieving state and federal clean air standards, participates in air quality studies to assess effectiveness of control strategies and project future air quality.
Rule Development	Develops regulations to achieve emission reductions and fulfill commitments in air quality plans.
Emission Inventory	Estimates actual emissions from stationary and area sources, assists with evaluations of mobile source emissions.
Air Monitoring	Performs continuous monitoring of criteria pollutants and their precursors (ozone, hydrocarbons, carbon monoxide, nitrogen oxides, sulfur oxides, lead, and inhalable particulate matter (PM <sub>10</sub> and PM <sub>2.5</sub> )), meteorological conditions and other air quality indicators at 10 sites throughout the County.
Emission Reduction Credit (ERC) Bank & Project SEED	Maintains the registry of stationary and mobile source credit banks, coordinates and assists credit generators and users, identifies new opportunities for credit use, includes the military base and essential public services accounts, implements Project SEED and the Wood Stove/Fireplace replacement incentive program.

**Program Coordination Key Initiatives*****Strategic Planning for Clean Air***

Lead the development of the Sacramento region's plan to meet the 2008 health standards that is due to EPA in July 2016. That plan will define the region's clean air strategy for the next decade so that Sacramento will meet the 2008 health standards by the 2026 deadline. The plan is necessary to preserve federal transportation funding for the Sacramento region.

***Air monitoring system optimization***

Conduct a monitoring network assessment to look for efficiency improvements and potential data gaps. Over the next several years, the District must address safety problems and replace aging equipment and trailers that house monitoring equipment. Maximizing the functionality of the air monitoring network is critical as the data gathered is the foundation for air quality forecasting and planning, and tracks progress towards meeting health standards.

***Wood Smoke initiatives***

Continue to provide financial incentives to replace dirty fireplaces and wood stoves for non-low income residents, and expanded outreach to low income residents. Work to secure additional funding for this Program from 1) the State's Cap and Trade program revenues, and 2) banking and selling emissions reduction credits from the Wood Smoke Change-Out Program.

Study toxic pollution from wood smoke, identifying potential differences in wood smoke levels in disadvantaged communities and increasing outreach to those communities if the District's grant application is approved by U.S. EPA.

***Emission reduction opportunities***

Staff anticipates presenting for Board consideration, new rules or rule amendments affecting residential and commercial adhesives and architectural coatings, engine and other combustion sources, pharmaceutical manufacturing and natural gas production.

## STATIONARY SOURCES DIVISION

**Program Summary**

PROGRAM	DESCRIPTION
Permitting	Ensures compliance with applicable local, state, and federal regulations by reviewing project proposals, granting conditional approvals, inspecting completed projects, and authorizing operation only after verifying that the equipment can operate in compliance with all applicable regulations.
Toxics	Works with sources to help them understand and comply with complex state and federal regulations, maintains the "Hot Spots" toxics emissions inventory and ensures that toxic emissions from facilities are within acceptable levels.
Title V	Title V is the federal permitting program implemented by the District.
Fields Operations / Enforcement	Inspects stationary sources for compliance with District, state, and federal rules and regulations, responds to resident complaints, administers the Mutual Settlement Program to resolve violations in lieu of litigation, refers and coordinates legal action with District Counsel, serves on Sacramento County Environmental Crimes Task Force to facilitate coordination and referral of criminal violations of District rules and regulations.
Compliance Assistance	Assists businesses in complying with air quality regulations via advisories, workshops and free facility reviews.
Field Operations / Asbestos	Ensures compliance with federal and local regulations regarding the handling and removal of asbestos containing materials at renovation and demolition sites, ensures compliance with the State Airborne Toxic Control Measure for naturally occurring asbestos.
Field Operations / PERP	Enforces the State's Portable Equipment Registration Program within the County of Sacramento.

**Stationary Sources Key Initiatives*****Field Operations Productivity***

Achieve and maintain work productivity and efficiency, accuracy of work product, and improve team and individual performance and the use of resources with emphasis on:

- a. Inspection targeting element
- b. Inspector deployment element
- c. Unidentified source inspection program
- d. Case and report timeline initiative (NOV resolution schedule) element
- e. Performance metrics element
- f. Automation integration element

***Permitting and Toxics Program Resource***

Address and change issues in permitting and toxics with emphasis on:

- a. Implementation of the OEHHA standards element
- b. Title V catch-up element
- c. CEQA/BACT in permitting element
- d. Policy templating element

***Increased Automation***

Participate in the design and implementation of a web-based database system to increase tracking, resource allocation and reporting capabilities.

- a. Planning and scoping process in conjunction with other divisions
- b. Improved resource allocation
- c. Support of all activities necessary to implement above initiatives

## DISTRICT ACCOMPLISHMENTS

In the past year, the District has accomplished many things. The following table is a partial list of the major FY14/15 accomplishments:

- Fiscal Year-to-date Mobile Source Program emission reductions as of 12/31/2014 in tons per day:

NO <sub>x</sub>	.0440
PM <sub>10</sub>	.0025
ROG	.0050

- Conducted 1,372 mobile source compliance inspections in calendar year 2014.
- Distributed Spare the Air alerts to nearly 16,000 subscribers and 614 youth coaches to help protect their athletes.
- Working with 3,218 regional partners, distributed nearly 200,000 pieces of collateral material on Spare the Air.
- Distributed nearly 8,000 Check Before You Burn daily status updates.
- Provided funding for the Wood Stove Change-Out Program replacing 200 dirty fireplaces and wood stoves with EPA certified or gas-fired devices.
- Participated with other regional partners in the Home Energy Conservation Program to provide First Tier energy upgrades to over 300 low income homes.
- Participated with a wide range of partners in the Farm to Fork to Fuel to Farm Project which promotes diversion of food waste from the landfills to be converted to renewable fuel.
- Completed implementation of a bicycle parking program funded with \$310,000 in Clean Air grant funds.
- Played a key role in the launch of the CivicSpark Program within the region. CivicSpark provides high-quality, technical support to local and regional governments, helping California communities pursue clean energy, reduce greenhouse gas emissions, safeguard against climate change impacts, and implement sustainable community strategies.
- Conducted 3,545 annual permit inspections in the federal fiscal year (FFY) ending 9/30/14, and completed 100% of all major source inspections and just over 80% of minor source inspections under the annual permit inspection program due to staffing shortages.
- For FFY ending 9/30/14, handled a total of 831 resident complaints concerning air quality issues, half of which were related to emissions from fireplaces and woodstoves. The number of complaints investigated related to Check Before You Burn (Rule 421), residential wood-burning curtailment, continues to be significant.
- A total of 74 NOA-related inspections were conducted for the FFY ending 9/30/14.
- Handled 421 smoke-related complaints (two times as many handled in FFY 12/13), issued 165 official notices for burning on no burn days, and three notices of violation for second-time offenders for the FFY ending 9/30/14.
- A total of 134 individual cases were successfully resolved under the Mutual Settlement Program for the period ending 9/30/14.
- As of December 31, 2014, 176 permit applications have been received during FY14/15. During this period, 118 Authorities to Construct and 17 Change of Ownership permits were issued. All permits were issued within 180 days except for 7 permits; all 7 permits were delayed for reasons beyond the District's control.
- As of December 31, 2014, 99 Permits to Operate have been issued during FY14/15. All Permits to Operate were issued within two years of obtaining an Authority to Construct.

- Contracted for installation of Bercut near-road monitoring site.
- Developed 7 stationary/area-wide source control measures for the Triennial Plan Update.
- Partnered with five other regions in the state in the Alliance of Regional Collaboratives for Climate Adaptation (ARCCA) and reviewed a range of significant state programs and documents.
- Continued to grow the Capitol Region Climate Readiness Collaborative (CRCRC) with key regional partners to support increased cross media collaboration on climate adaptation.
- Obtained funding for and made major progress toward establishing a Regional Bike Share program in 2016.
- Established a working group to track Cap and Trade funding opportunities and projects in the Sacramento Region.

## OPERATIONAL STATISTICS

The District measures numerous operational activities. A few notable statistics are listed in the table below. The totals, unless otherwise noted, are for July 2014 – December 2014.

Emission Reduction Credit (ERC)					
ERC Applications	2				
Transfer Applications	2				
Inter-district credit transfer	1				
SEED Loans	4				
Alternate Compliance Applications	1				
Loan Renewals	42				
Emission Inventory					
Emission Statements & 185 Fee Sources Updated	16				
Facility Surveys	84				
Permit Emission Evaluations	712				
Area Source Category Updates	15				
Wood Stove/Fireplace Assistance Program					
	Low Income	Non-Low Income			
Approved Vouchers (projected)	60 (490 cumulative)	270 (6,500 cumulative)			
Devices Changed Out (projected)	16 (320 cumulative)	200 (5,110 cumulative)			
Mobile Sources Emission Reductions from Moyer (since 1998 ) & SECAT (since 2000)					
Funding Source	Engines	NO <sub>x</sub> – tons/day	PM <sub>10</sub> – tons/day	ROG – tons/day	
SECAT	2,484	2.89	0.3	0.45	
Moyer	2,281	5.51	0.52	0.85	
Moyer/DMV	9	0.02	NA	NA	
Moyer/EPA	112	0.09	0.01	0.01	
EPA	95	0.09	NA	0.01	
EPA/DMV	5	0.01	NA	NA	
DMV/Measure A/Lower Emission School Bus	681	0.54	0.04	0.06	
Construction Mitigation	39	0.13	0.01	0.02	
Other Funds	24	NA	NA	NA	
Goods Movement Emission Reduction/Proposition 1B	467	NA	NA	NA	
Prop 1B Lower Emission School Bus Program	473	NA	NA	NA	
Prop 1B Lower Emission School Bus Program/DMV Match	48	NA	NA	NA	
Grand Total <sup>1</sup>	6,718	9.28	0.88	1.4	
<sup>1</sup> The totals reflect the time period from Program inception through 12/31/2014 and include active projects in process, not all of which move forward to completion.					
Air Monitoring Program					
	NCore	PAMS	SLAMS	Special Purpose	Meteorological
Station Monitoring Activities	1	4	9	4	6
Parameters Monitored	9	19	36	6	7

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## SECTION 6

### Supplemental Information

#### **BUDGET PROCESS**

The District operates on a fiscal year that runs from July 1<sup>st</sup> through June 30<sup>th</sup> of the following year. Budget development begins with a mid-year review of the current budget in the November – December time frame. In December, budget preparation packets are distributed to each of the District Divisions, who, with guidance from the Executive Director, Administrative Services Manager and/or Controller, prepare budget packets which typically includes revenue projections, requests for outside professional services, a staffing distribution, a budget narrative demonstrating accomplishments for the current budget year and key goals and objectives for the upcoming budget year. Divisions may also submit requests for fixed assets, staffing additions, or other items that may differ from typical operating expenses either in nature or cost.

The Administrative Services Division, primarily the fiscal staff, reviews and refines the information received from other divisions and integrates it into the budget with other financial information, namely revenue and expenditure projections (salary and benefits, general operating, building and capital, etc.)

The Executive Director, Administrative Services Manager and District Controller meet during budget development with a subcommittee of the District's Board of Directors to receive direction for addressing District priorities and developing a balanced budget.

The budget is publically noticed 30 days before the public hearing and is presented at two public hearings, according to California Health and Safety Code Section 40131, typically taking place during the Board of Directors meetings in April and May. A presentation of the Proposed Budget is made to the Board during the April public hearing. The Board may ask questions, make comments and receive requests from members of the public to speak. The 2<sup>nd</sup> public hearing is scheduled as part of the May Board meeting following basically the same process as the 1<sup>st</sup> hearing. District staff comments on material differences, should they exist, from the previously presented Proposed Budget. The Board may provide direction and vote to approve the budget. Approval of the budget requires a quorum of Board members and a majority of the voting quorum. Once the budget is approved, staff prepares the final Approved Budget for printing and posting on the District website.

The Board may vote to adopt a resolution allowing the District to continue normal operations under the Proposed Budget in the event that an Approved Budget is not adopted by June 30<sup>th</sup>. The District Board Resolution must specifically authorize Proposed Budget expenditures for fixed assets, filling new positions, and equity transfers. Without that authorization, state law requires deferring those expenditures until an Approved Budget is adopted.

The following is the FY15/16 Budget Schedule:

**FY15/16 Budget Schedule**

FY14/15 mid-year review	December 2014
Budget submissions from Division Managers	January 2015
Approval of Comprehensive Annual Financial Report (CAFR) and Audit	January 2015
Budget Notices posted on District website and sent to regulated sources	March 20, 2015
Meeting with Board of Directors Budget Subcommittee	March 26, 2015
Draft Proposed Budget prepared for review by Executive Director	End of March
Proposed Budget delivered to Board of Directors	Mid-April
First public hearing / presentation of Proposed Budget to Board of Directors	April 23, 2015
Second public hearing / vote of the Board to approve the Budget	May 28, 2015
Approved Budget document printed and posted on District website	June 30, 2015

## DESCRIPTION OF FUNDING SOURCES

**Agricultural Burning** — Burn permit fees collected from growers and other agricultural interests to partially fund field elements of the Agricultural Burn Program implemented by the Agriculture Commissioner.

**Air Quality Improvement Program Funds** — A voluntary incentive program administered by the California Air Resources Board (CARB) to fund clean vehicle and equipment projects, research biofuel production and the air quality impacts of alternative fuels, and workforce training.

**Asbestos Plan Check Fees** — Fees collected from building owners & contractors undertaking demolitions or renovations subject to regulation under the District's asbestos rules generate revenues used for review of abatement plans, site inspections, complaint responses and enforcement case development.

**CARB School Bus Program** — Grant funds provided by CARB and/or local DMV fees (AB923) to provide incentives for public school districts to: replace pre-1986 model year diesel buses with new lower-emission buses; retrofit existing buses with technologies to reduce particulate emissions, and; replace expiring tanks on CNG buses.

**CARB Subvention & Enforcement Grant'** — Grant funds used for Stationary Source program expenditures not offset by permit fees, including Engineering, Compliance/Enforcement, Air Monitoring, Rule Development & Planning.

**CARB Walnut Grove Tower'** — CARB funds 100% of the contractor cost to operate the Walnut Grove ozone and meteorological monitoring station.

**Civil Settlements** — Revenues derived from penalties for violations of District regulations. Amounts are determined by the Mutual Settlement Program approved by the Board.

**Congestion Mitigation and Air Quality Improvement (CMAQ) Grants** — Federal funds used to support the Spare the Air program, the State Implementation Plan, Tree Foundation, and heavy-duty, low-emission vehicle and infrastructure programs through SACOG SECAT.

**Congestion Mitigation and Air Quality Improvement (CMAQ) Match** — Financial support from the air districts to provide matching funds for CMAQ grants.

**DMV Surcharge** — Per enacting legislation AB4355, revenues are used to implement the Air Quality Improvement Strategy with respect to the reduction in emissions from vehicular sources, including a clean fuels program, motor vehicle use reduction measures, and a public education program. In addition, increased revenues will be provided by AB923 - \$2 surcharge. Revenues are restricted to programs that achieve emission reductions from vehicular sources and off-road engines; replacing old polluting engines with new cleaner engines.

**EPA 103 Grant** — Revenues are restricted to uses achieving the program objectives of the fine particulate monitoring network and near road monitoring as submitted to USEPA.

**EPA 105 Grant** — Revenues are restricted to uses achieving the program objectives as submitted to USEPA, but may not be used to cover costs associated with Title V permitting. Allowed uses include: compliance & enforcement, air monitoring, transportation & land use programs, development & maintenance of AIRS data, and California Air Pollution Control Officers Association (CAPCOA) grant funding.

**EPA Voluntary Diesel Retrofit Program** — Funds projects that implement EPA and CARB verified, or innovative usage of verified pollution control technologies, or engine replacement in reducing emissions from state, local, tribal-controlled or other diesel fleets. The agricultural equipment replacement program, the on-road renewable compressed natural gas fleet modernization program, and the replacement of diesel agricultural pumps with electric pumps are funded by this program.

**Interest Income** — Interest is generated annually from District reserves and the resulting revenue is allocated to the source fund generating the interest.

**Lease Property Net Revenues** — Revenues resulting from the lease of space in the District-owned building located at 777 12<sup>th</sup> Street. This revenue includes rents and parking fees and is net of all upkeep and maintenance expenses of the building and parking area, and is used to pay the interest and principal obligations of the bonds and to build a reserve for improvements.

**Measure A** — Per enacting legislation ordinance number STA-0002 dated October 6, 1988, one-half of one percent of total Measure A monies collected by the Sacramento Transportation Authority will be used for mitigation of motor vehicle emissions or evaluation of mitigation measures. The revenues are used to support heavy-duty low emission vehicle and infrastructure projects, air monitoring, transportation control measure planning and the Sacramento Transportation and Air Quality Collaborative. The Sacramento Transportation Authority placed a measure on the November 2004 ballot to renew the Measure for 30 more years after the original measure expires.

Voters overwhelmingly approved the new Measure A, with more than 75 percent of voters in favor of it. The "new" Measure A took effect April 2009.

**Mitigation Fees** — Fees paid by land use project developers to mitigate the operational emissions of their project. Revenues are used to secure emission reductions to offset land use development.

**Moyer (Carl Moyer Memorial A.Q. Standards Attainment) Program** — As a result of State legislation, funds are available through California Smog Check and new tire purchase fees and are administered through CARB. After successful reauthorization efforts in 2013, funding for the program will be available until 2024. Revenues are used to provide market-based incentives for the introduction and use of lower emission technologies for heavy-duty vehicles, off-road vehicles and equipment, and locomotive engines.

**Naturally Occurring Asbestos (NOA) Fees** — Fees are collected from those required to comply with Title 17 of the California Code of Regulations, § 93105 ATCM. Revenues are to be used to recover costs associated with the NOA program, which includes reviewing dust mitigation plans and inspections.

**Planning Service Charges** — Fees collected from the County of Sacramento and the Cities of Folsom and Sacramento to review planning applications for their impact on air quality.

**Portable Equipment Registration Program (PERP)** — Fee revenue, collected by CARB from owners or operators of portable engines, and certain other types of equipment, to operate their equipment throughout California without having to obtain individual permits from local air districts, is passed through to the Districts having equipment registered under CARB's Portable Equipment Registration Program.

**Power Plant Fees** — Hourly rate fees paid by power plant project proponents for District staff to determine the legitimacy/accuracy of Emission Reduction Credits (EMCs) proposed for use to offset new plant emissions, and to process Authority to Construct and Permit to Operate documents.

**Proposition 1B (GMRP/LESBP)**<sup>1</sup> — Proposition 1B, the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, authorized the Legislature to appropriate \$1 billion in bond funding to the Air Resources Board (ARB) to reduce emissions from freight movement in California and \$200 million for school bus retrofit and replacement to reduce air pollution and to reduce children's exposure to diesel exhaust. Examples for the goods movement program include replacement and/or retrofit of trucks moving goods and locomotives (non-passenger) within the Sacramento, San Joaquin and Bay Area regions.

**SACOG-SECAT** — Sacramento Emergency Clean Air & Transportation (SECAT) Program grant funds received through the Sacramento Area Council of Governments (SACOG) to provide technical assistance and compliance for the SECAT program.

**SECAT (Enhanced)** — Funds received through the authorized sale of salvaged trucks turned in through the SECAT Program. Revenue from the truck sales is used to fund the Sacramento Region Air Quality and Infill Streamlining Program (ISP) which is an innovative program that provides cities and counties in the Sacramento Region with technical assistance to address key infill barriers.

**Solutions for the Environment and Economic Development (SEED) Program** — Revenue generated from the lease of Emission Reduction Credits (ERCs) under Rule 205 – Community Bank and Priority Reserve Bank. ERCs resulting from SEED funded programs are deposited in the Community Bank. Fees are charged to cover various expenses:

Initial Fees — Process initial ERCs.

Loan Fees — Meet Rule 205 mandates, which require, via an RFP process, additional emission reductions to be secured.

Renewal Fees — Process ERC renewals, oversee ERC contracts and operate S.E.E.D. revenue disbursement process.

**Source Test** — Fees collected from any source required to conduct emission testing to demonstrate continued compliance with rules and or permit requirements.

**State Toxics Emission Fees** — Fees collected through Rule 306 – Air Toxic Fees are paid by facilities identified as having the potential to pose a health risk to the community, either as individual stationary sources, or collectively as an industry. These sources are subject to requirements of AB2588, the air toxics "hot spots" program for sources of toxic air pollutants. Fees are collected by the District on behalf of the CARB, and are to be used to help cover costs incurred by the District and the state in administering and enforcing the program.

**Stationary Source Initial Fees** — Fees paid by permit holders based on a defined fee schedule to cover expenses to process Authorities to Construct and Permits to Operate. Fees may also cover costs of other programs, such as rule development, emission inventory development and air monitoring.

**Stationary Source Permit Renewal Fees** — Permit renewal fee consists of two parts; one based on type and size of the equipment and the other based on the number of tons of pollutants emitted. Renewal fee revenues are used to support the stationary sources program, including annual review of permits, inspection of permitted and unpermitted sources, responding to complaints, general surveillance, etc. Fees also cover other related programs such as rule development, emission inventory development and air monitoring.

**Stationary Source Reinspection Fees** — Initial and renewal fees are based on the assumption of one annual inspection, and as such, an hourly rate fee is collected for any equipment/site requiring additional inspections, whether for non-compliance issues, and/or additional source tests, etc.

**Title V Fees** — Local permit fees paid by Title V sources to cover the cost of developing Authorities to Construct and Permits to Operate. Additional fees may be charged to the large sources to cover expenses for review and analysis associated with the complicated Title V permitting process.

**Variances** — Fees collected when permitted sources apply for variances from District rules. Revenues are to be used to partially cover costs of Hearing Board meetings.

<sup>1</sup> *These funding sources are included as State Grants in the Revenue chart for the Consolidated District Budget in Section 2 of this document.*

## DISTRICT STATISTICS

## Balances of Governmental Funds (modified accrual)

	04/05	05/06	06/07	07/08	08/09	09/10	09/10	11/12	12/13	13/14
General Fund										
Restricted	9,179,982	9,798,952	13,238,198	16,317,844	9,789,530	2,858,052	12,144,152	12,169,654	11,350,172	10,998,388
Assigned	320,000	320,000	320,000	320,000	320,000	2,407,273	320,000	320,000	320,000	320,000
Unrestricted	3,926,705	5,144,677	8,295,221	5,751,365	8,666,336	7,906,636	-	-	-	792,734
Total General Fund	13,426,687	15,263,629	21,853,419	22,389,209	18,775,866	13,171,961	12,464,152	12,489,654	11,670,172	12,111,122
Emission Technology Fund										
Restricted	-	-	-	-	-	9,064,562	9,211,835	9,267,343	8,194,251	8,277,548
Total Emission Technology fund	-	-	-	-	-	9,064,562	9,211,835	9,267,343	8,194,251	8,277,548

## Changes in Fund Balance of Governmental Funds (modified accrual)

	04/05	05/06	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14
REVENUES										
Taxes	5,386,318	8,005,095	8,272,593	9,069,286	9,471,327	8,025,308	7,451,650	8,071,327	7,929,307	8,334,914
Intergovernmental	4,814,156	4,554,831	14,617,951	7,754,619	13,564,665	16,058,522	11,162,826	34,081,710	25,879,092	10,507,331
Licenses/Permits	5,364,569	5,903,839	6,786,546	6,405,970	8,371,169	6,705,683	6,479,071	6,180,051	6,015,064	6,741,800
Use of Money/Property	183,162	524,224	991,786	1,086,702	515,419	268,262	230,368	204,424	193,112	18,965
Total Revenue	15,748,205	18,987,989	30,668,876	24,316,577	31,922,580	31,057,775	25,323,915	48,537,512	40,016,575	25,603,010
EXPENDITURES										
Stationary Sources	3,219,231	4,673,680	5,065,949	5,122,449	8,944,106	6,114,436	5,822,646	5,843,577	5,758,644	5,741,059
Mobile Source	3,011,824	6,882,379	11,432,875	11,261,327	11,647,191	13,088,034	12,207,527	34,704,891	28,394,103	11,475,645
Program Coordination	2,592,507	2,924,503	3,867,636	3,474,737	4,575,926	4,334,342	4,285,664	3,959,488	3,780,971	3,832,332
Strategic Planning	2,039,432	2,585,849	3,586,072	3,695,608	3,906,272	4,041,810	3,547,825	3,643,128	3,684,435	3,770,076
Capital Outlay	179,295	84,638	126,554	226,666	119,082	18,498	20,789	305,418	290,995	259,652
Total Expenditures	11,042,289	17,151,049	24,079,086	23,780,787	29,192,577	27,597,120	25,884,451	48,456,502	41,909,148	25,078,764
Excess (Deficiency) of Revenue over Expenditures	4,705,916	1,836,940	6,589,790	535,790	2,730,003	3,460,655	(560,536)	81,010	(1,892,573)	524,246
OTHER FINANCING SOURCES (USES)										
Transfer Out	266,328	-	-	-	456,966	-	-	-	-	-
Net change in fund balances	4,439,588	1,836,940	6,589,790	535,790	2,273,037	3,460,655	(560,536)	81,010	(1,892,573)	524,246

**Statement of Net Position by Component (Accrual Basis)**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Governmental Activities</b>										
Investment in capital assets, net of related debt	540,968	522,329	535,979	624,503	594,518	447,263	327,593	507,625	653,680	764,943
Restricted	8,739,934	10,118,952	17,846,829	18,471,262	16,840,972	20,451,561	20,834,838	20,864,065	19,018,128	18,732,929
Unrestricted	4,246,705	4,627,737	3,422,783	3,150,700	1,142,535	946,120	-	-	-	792,734
<b>Total governmental activities net assets</b>	<b>13,527,607</b>	<b>15,269,018</b>	<b>21,805,591</b>	<b>22,246,465</b>	<b>18,578,025</b>	<b>21,844,944</b>	<b>21,162,431</b>	<b>21,371,690</b>	<b>19,671,808</b>	<b>20,290,606</b>
<b>Business-type Activities</b>										
Investment in capital assets, net of related debt	173,753	230,782	313,325	335,681	85,216	142,689	438,929	403,041	113,259	93,109
Restricted	-	-	-	-	431,776	427,031	433,754	424,243	416,252	416,293
Unrestricted	(4,485)	107,212	287,763	323,454	802,936	990,954	762,937	909,129	1,094,081	1,274,390
<b>Total business-type activities net assets</b>	<b>169,268</b>	<b>337,994</b>	<b>601,088</b>	<b>659,135</b>	<b>1,319,928</b>	<b>1,560,674</b>	<b>1,635,620</b>	<b>1,736,413</b>	<b>1,623,592</b>	<b>1,783,792</b>
Investment in capital assets, net of related debt	714,721	753,111	849,304	960,184	679,734	589,952	766,522	910,666	766,939	858,052
Restricted	8,739,934	10,118,952	17,846,829	18,471,262	17,272,748	20,878,592	21,268,592	21,288,308	19,434,380	19,149,222
Unrestricted	4,242,220	4,734,949	3,710,546	3,474,154	1,945,471	1,937,074	762,937	909,129	1,094,081	2,067,124
<b>Total primary government net assets</b>	<b>13,696,875</b>	<b>15,607,012</b>	<b>22,406,679</b>	<b>22,905,600</b>	<b>19,897,953</b>	<b>23,405,618</b>	<b>22,798,051</b>	<b>23,108,103</b>	<b>21,295,400</b>	<b>22,074,398</b>

**Schedule of General Government Expenditures by Major Object (Budgetary Basis)**

Fiscal Year	Salaries & Benefits	Services & Supplies	Equipment /Fixed Assets	Interfund Charges	Contingency <sup>1</sup>	Total
05/06	8,929,314	18,119,184	281,100	436,000	300,000	28,065,598
06/07	9,500,743	15,159,559	227,500	414,682	450,000	25,752,484
07/08	10,959,562	22,329,068	360,400	840,000	450,000	34,939,030
08/09	12,183,771	13,507,796	110,400	5,142,528	450,000	31,394,495
09/10	12,199,760	8,128,192	38,000	3,851,831		24,217,783
10/11	11,584,777	6,425,969	43,500	1,407,642		19,461,888
11/12	11,946,558	6,619,728	317,000	704,652		19,587,938
12/13	11,997,789	5,552,842	397,000	679,789		18,627,420
13/14	12,472,301	5,132,405	180,532	806,871		18,592,109
14/15	13,018,613	5,670,628	564,532	1,071,655		20,325,428

<sup>1</sup> As the Board had previously designated \$320,000 for Contingency from Fund Balance, the Contingency amount of \$450,000 in the Budget was removed in FY09/10.

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**Schedule of General Government Revenues by Source**

Fiscal Year	Taxes	Intergovernmental	Licenses/ Permits	Use of Money & Property	Total
04/05	5,386,318	4,814,156	5,364,569	183,162	15,748,205
05/06	8,005,095	4,554,831	5,903,839	524,224	18,987,989
06/07	8,272,593	14,617,951	6,786,546	991,786	30,668,876
07/08	9,069,286	7,754,619	6,405,970	1,086,702	24,316,577
08/09	9,471,327	13,564,665	8,371,169	515,419	31,922,580
09/10	5,810,923	3,653,527	6,705,683	116,135	16,286,268
10/11	5,498,449	3,998,568	6,479,071	59,403	16,035,491
11/12	5,940,636	4,289,423	6,180,051	44,337	16,454,447
12/13	5,862,442	3,637,602	6,015,064	64,380	15,579,488
13/14	6,095,314	4,082,326	6,741,800	9,934	16,929,374

*Note: Increase in Fair Value of Investments is recorded as a result of GASB Statement No. 31*

**Permit Revenue**

Year	Active Permits	Revenue
2005	3,763	\$2,525,338
2006	3,819	\$2,665,209
2007	4,006	\$2,656,920
2008	4,060	\$2,381,639
2009	4,183	\$3,345,143
2010	4,242	\$3,501,857
2011	4,238	\$4,366,411
2012	4,247	\$4,224,561
2013	4,269	\$4,419,326
2014	4,331	\$4,754,372

**Full-Time Equivalent Employees as of June 30**

	Full-Time Equivalent Employees as of June 30									
	05/06	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15
<b>FUNCTION:</b>										
Accountant I/II	1	1	1	1	1	1	-	-	-	-
Administrative Assistant I/II	2	2	2	2	2	2	2	2	2	2
Administrative/Legal Analyst	-	-	1	1	1	-	-	-	-	-
Executive Director/APCO	1	1	1	1	1	1	1	1	1	1
Air Quality Engineer	18	21.5	21.5	21.5	21.5	21.5	20.5	19.5	19.5	19.5
Air Quality Instrument Specialist I/II	3	3	3	3	3	3	3	3	3	3
Air Quality Planner/Analyst	10.5	10.5	10.5	11	12	11	10	10	10	10
Air Quality Specialist	19	19	22.5	21.5	20.6	18.6	18.6	18.6	18.6	18.6
Comm & Marketing Specialist	1.85	1.85	2.85	2.85	2.85	1.85	1.85	1.85	1.90	1.90
Clerical Services Supervisor	1	1	1	1	1	1	1	1	1	1
District Accountant/Controller	1	1	1	1	1	1	1	1	1	1
District Counsel	1	1	1	1	1	1	1	1	1	1
District Counsel Legal Assistant	1	1	1	1	1	1	1	1	1	1
Division Manager	5	5	4	4	4	4	3	3	3	4
Executive Assistant/Clerk to the Board	1	1	1	1	1	1	1	1	1	1
Financial Analyst	-	-	-	-	-	-	1	1	1	1
Fiscal Assistant I/II	1	1	1	1	1	1	1	1	1	1
Human Resources Officer	1	1	1	1	1	1	1	1	1	1
Information Systems Administrator	1	1	1	1	1	1	1	1	1	1
Information Systems Analyst	1	1	2	2	2	2	2	2	2	2
Office Assistant I/II	2	3	3	3	3	3	2	2	2	2
Human Resource Assistant I/II	2	2	2	2	2	2	2	2	2	2
Program Coordinator	13	13	13	13	13	13	12	12	12	12
Program Supervisor	4	4	5	5	5	5	5	5	5	5
Senior Accountant	1	1	1	1	1	1	1	1	1	1
Statistician	1	1	1	1	1	1	1	1	1	1
<b>Total Funded Positions</b>	<b>93.35</b>	<b>97.85</b>	<b>104.35</b>	<b>103.85</b>	<b>103.95</b>	<b>98.95</b>	<b>93.95</b>	<b>92.95</b>	<b>93.00</b>	<b>94.00</b>
<b>Positions Unfunded</b>										
Administrative/Legal Analyst	-	-	-	-	-	1	1	1	1	1
Air Quality Engineer (LT)	1	1	-	-	-	-	-	-	-	-
Air Quality Planner/Analyst	-	-	-	-	-	-	1	1	1	1
Air Quality Specialist	-	-	-	-	1	2	2	2	2	2
Air Quality Specialist (LT)	1	1	-	-	-	-	-	-	-	-
Air Quality Engineer	-	-	-	-	-	-	1	2	2	2
Division Manager	-	-	-	-	-	-	1	1	1	-
Office Assistant I/II	-	-	-	-	-	-	1	1	1	1
Program Coordinator	-	-	-	-	-	-	1	1	1	1
<b>Total Positions Unfunded</b>	<b>2</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>3</b>	<b>8</b>	<b>9</b>	<b>9</b>	<b>8</b>
<b>Total Funded + Unfunded</b>	<b>95.35</b>	<b>99.85</b>	<b>104.35</b>	<b>103.85</b>	<b>104.95</b>	<b>101.95</b>	<b>101.95</b>	<b>101.95</b>	<b>102.00</b>	<b>102.00</b>

Note: The FTE data is from the SMAQMD budgets. Actual staffing may vary from budget due to changes during the fiscal year.

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# SECTION 7

## Glossary

### GLOSSARY

**Account** – The primary accounting field in the budget used to describe the type of the financial transaction.

**Accrual Basis** – Revenue and expenses are recorded in the period earned or incurred regardless of whether cash is received or disbursed in that period.

**Actual** – Actual level of expenditures/FTE positions approved for fiscal year.

**Amended** – Level of expenditures/FTE positions reflecting adjustments made during the current fiscal year.

**Assembly Bill (AB)** – California State Assembly bills obligating funds to the District for air pollution control programs.

**Balanced Budget** – The amount of budgeted expenditures is equal to or less than the amount of budgeted revenues plus other available resources.

**Beginning/Ending Fund Balance** – Unencumbered resources available in a fund from the prior/current year after payment of the prior/current year's expenses. Not necessarily cash on hand. Also refer to Fund Balance.

**Budget** – An annual financial plan consisting of Proposed/Approved expenditures for specified purposes and the Proposed/Approved means of financing them.

**California Public Employee Retirement System (CalPERS)** – Administers health and retirement benefits on behalf of the District, and more than 3,000 public school, local agency and State employers.

**Capital Assets** – Capital assets include land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period (fiscal year).

**Capital Improvement** – A specific undertaking involving procurement, construction or installation of facilities or related equipment which improves, preserves, enhances or modernizes the District's property, has a useful life of at least three years, and costs at least \$5,000.

**Carry Forward** – Appropriated funds remaining unspent at the end of the fiscal year, which are allowed to be retained by the project to which they were appropriated so that they may be expended in the next fiscal year.

**Cash Basis** – Revenue and expenses are recorded in the period they are actually received or expended in cash.

**Cognizant Agency** – A federal agency that, on behalf of all Federal agencies, is responsible for establishing final indirect cost rates.

**Comprehensive Annual Financial Report (CAFR)** – Provides a thorough and detailed report of the District's financial condition.

**Consumer Price Index (CPI)** value is obtained through the State of California, Office of the Director-Research Unit. Rule 205 Community Bank and Priority Reserve Bank and Rule 304 Plan Fees for Naturally Occurring Asbestos are both subject to annual CPI adjustments.

**Covell Building Fund (570B)** -- The District's building fund, which is supported by rent revenue and which, generally, has restrictions on its use.

**Debt Financing** – Issuance of bonds and other debt instruments to finance municipal improvements and services.

**Debt Service** – The costs of paying the principal and interest on borrowed money according to a predetermined payment schedule.

**Direct Cost** – Portion of cost that is directly expended in providing service.

**Division** – Term used to define the different areas of operation within the District.

**Emission Technology Fund (570C)** – The District's fund representing pass-through incentive programs, which are supported by a variety of sources and which, generally, have restrictions on their use.

**Employee Services** – The personnel costs of the District, including wage/salary, direct and indirect benefits, such as health insurance, social security costs, retirement contribution, workers' compensation, unemployment insurance, etc.

**Expenditure** – The actual spending of funds authorized by an appropriation and are generally divided into various categories such as employee services, services and supplies, debt service and capital improvements.

**Federal Fiscal Year (FFY)** – A time period designated by the Federal government signifying the beginning and ending period for recording financial transactions. The Federal Fiscal Year is from October 1 through September 30.

**Fiscal Year (FY)** – A time period designated by the District signifying the beginning and ending period for recording financial transactions. The District has a fiscal year from July 1 through June 30.

**Full-Time Equivalent (FTE)** – A unit indicating the workload of a position in order to distinguish workloads comparable to a full-time position. An FTE of 1.0 means that the position is equivalent to a full-time workload, while an FTE of 0.50 signals that the position is only half-time.

**Fund** – A group of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. Each fund has its own budget and tracks revenues and expenditures separately.

**Fund Balance** – The total dollars remaining after current expenditures for operations and capital improvements are subtracted from the sum of the beginning fund balance and current resources.

**Fund Balance (Use of)** – Revenues received during prior fiscal years that were not expended. Some revenues may already be earmarked for specific projects or programs that were not completed during the prior fiscal year. Fund Balance is used to balance the budget when new revenues are insufficient to fund budgeted expenditures. The use restriction is specific to original source of the revenue. Examples include: Measure A, SEED, CMAQ, DMV and EPA 105 grants.

**Government Finance Officers Association (GFOA)** – Enhance and promote the professional management of governments for the public benefit by identifying and developing financial policies and best practices and promoting their use through education, training, facilitation of member networking, and leadership.

**Grant** – Contributions of cash or other assets provided by external agencies, which are restricted to a specific purpose, have a time limit for use, and frequently are reimbursed after incurring eligible costs.

**Greenhouse Gas** – Gases that trap heat in the atmosphere.

**Indirect Cost** – Portion of cost that are necessary to provide the service that are not readily identified to the unit of service, such as administration, supplies, etc. For many of the District's programs, the percentage of indirect cost allowed is set by the Environmental Protection Agency as a cognizant agency.

**Modified Accrual Basis** – A mixture of cash and accrual basis accounting used for governmental funds.

**Naturally Occurring Asbestos** – Occurs in rocks and soil as a result of natural geological processes. Natural weathering and human activities may disturb NOA-bearing rock or soil and release mineral fibers into the air, which pose a greater potential for human exposure by inhalation.

**Office of Budget and Management (OMB)** – Releases circulars that govern how federal funds are used and accounted for by the District.

**Operating Fund (570A)** – The District's principal operating fund, which is supported by federal grants, California State funds, and fees, funds ongoing program costs, including employee services, other services and supplies, equipment, and debt service.

**Other Post-Employment Benefits (OPEB)** – Benefits that an employee will begin to receive at the start of retirement, not including pension benefits.

**Oxides of Nitrogen** – Highly reactive gas forming quickly from emissions from cars, trucks and buses, power plants, and off-road equipment.

**Ozone** – A gas that occurs both in the Earth's upper atmosphere and at ground level. Ozone can be "good" or "bad" for people's health and for the environment, depending on its location in the atmosphere.

**Resolution** – A formal declaration by the District Board of Directors.

**Revenues** – Income received from various sources including charges for fees and services, intergovernmental, interest, grants and other miscellaneous categories.

**Senate Bill (SB)** – California State Senate bills obligating funds to the District for air pollution control programs.

**Services and Supplies** – Costs of contractual or outside services, office supplies, utilities and equipment.

**Transfers** – Financial resources are moved from one account/fund to another account/fund.

**Types of Funds** – Restricted funds are restricted by legal or contractual requirements to a specific area. Unrestricted funds are not restricted by legal or contractual requirements and may be used in multiple areas. Assigned funds are specific in where they can be used.

**Variance** – Change in expenditures or staffing levels between fiscal years.

**Volatile Organic Compounds (VOC)** – Gases emitted from certain solids or liquids.

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[www.airquality.org](http://www.airquality.org)

#### BOARD OF DIRECTORS

**Steve Hansen, Chair**

*Council Member, City of Sacramento*

**Donald Terry, Vice Chair**

*Council Member, City of Rancho Cordova*

**Patrick Kennedy**

*Sacramento County Board of Supervisors*

**Roberta MacGlashan**

*Sacramento County Board of Supervisors*

**Don Nottoli**

*Sacramento County Board of Supervisors*

**Susan Peters**

*Sacramento County Board of Supervisors*

**Phil Serna**

*Sacramento County Board of Supervisors*

**Larry Carr**

*Council Member, City of Sacramento*

**Mark Crews**

*Council Member, City of Galt*

**Sue Frost**

*Council Member, City of Citrus Heights*

**Eric Guerra**

*Council Member, City of Sacramento*

**Jeff Harris**

*Council Member, City of Sacramento*

**Steve Ly**

*Council Member, City of Elk Grove*

**Jeff Starsky**

*Council Member, City of Folsom*

#### 10 EASY TIPS TO IMPROVE AIR QUALITY

- 1 Drive less
- 2 Postpone errands on smoggy days
- 3 Keep vehicle's engine tuned up and tires properly inflated
- 4 Sign up for Air Quality alerts at [www.SpareTheAir.com](http://www.SpareTheAir.com)
- 5 Carpool, Vanpool or take public transit
- 6 Ride a bicycle or walk for some trips
- 7 Refuel in the evening and never top off the gas tank
- 8 Switch to electric powered yard equipment
- 9 Watch air quality maps at [SpareTheAir.com](http://SpareTheAir.com) to see current air pollution levels in the Sacramento Region
- 10 Use an electric or chimney briquette starter to light the barbecue or use a propane gas grill

SACRAMENTO METROPOLITAN

