

# APPROVED BUDGET

## FISCAL YEAR 2016/17



SACRAMENTO METROPOLITAN



**AIR QUALITY**  
MANAGEMENT DISTRICT



# **APPROVED**

## **SACRAMENTO METROPOLITAN AIR QUALITY MANAGEMENT DISTRICT FISCAL YEAR 2016/17 BUDGET**

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

Larry Greene

### **District Counsel**

Kathrine Pittard

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777 12<sup>th</sup> Street, 3<sup>rd</sup> Floor  
Sacramento CA 95814



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For the Fiscal Year Beginning

**July 1, 2015**

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the Sacramento Metropolitan Air Quality Management District for its annual budget for the fiscal year beginning July 1, 2015. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communication device.

The award is valid for a period of one year only. The District believes its current budget continues to conform to program requirements, and will be submitting it to GFOA to determine its eligibility for another award.

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

**Division Manager**  
Jamille Moens

**Controller**  
Nicholas Lange, CPA

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

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# SECTION 1

## Executive Director Letter

April 28, 2016

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 2016/17 (FY16/17) Approved Budget for the Sacramento Metropolitan Air Quality Management District. The Approved Budget is balanced and reflects a total for FY16/17 of \$49.4 million, including \$23 million for the Operating Fund, \$1.2 million for the Covell Building Fund, and \$25.3 million for the Emission Technology Fund. The FY16/17 Approved Consolidated Budget is a net increase of \$13.7 million from the FY15/16 Amended Budget. Emission technology grants represent \$12 million of the net increase.

Fluctuating state and federal grants require the District to regularly adjust its budget as some programs sunset and new ones begin. The Sacramento Emergency Clean Air & Transportation (SECAT) program is currently scheduled to transition in 2019 from a block grant to an open and competitive grant program. The District has received one-time state grants for the Car Share Program and the Goods Movement Emission Reduction Program of \$1.1 million and \$10 million, respectively. In the last few years, the scope of the District's mission has expanded as global warming air pollutants have become part of federal, state and local regulatory programs. Consistent with that objective, the District is competing for cap and trade funding and is providing sponsorships and support for new climate mitigation and adaptation related activities such as the Alliance of Regional Collaborative for Climate Adaptation, the Capital Region Climate Readiness Collaborative, and the CAPCOA Greenhouse Gas Registry/Exchange.

The District's priorities continue to be working towards meeting attainment goals, tracking state and federal programs to provide input on matters affecting the District, and fostering key partnerships that assist the District in achieving its mission. These efforts are detailed in Section 2 – District Overview. In addition, the District is entering a period of considerable change from a personnel perspective. During the current fiscal year, several experienced managers in key positions have retired and more are projected to retire over the next several years. Succession planning, recruitment, and training will be critical to ensuring continuity and maintaining the high level of service that residents expect. The District has recently embarked on a major initiative to replace outdated information technology systems to enable it to work more efficiently, and enhance transparency and self-service to all its stakeholders. This effort is expected to continue through FY16/17 and into FY17/18. The District must also replace aging infrastructure in its air monitoring network and make improvements to its headquarters building.

The District is also working to continue and enhance collaborations with a range of partners that extend the District's capabilities to meet attainment and mission goals. These initiatives include support for the Cleaner Air Partnership managed by Valley Vision, work with Breathe California of Sacramento-Emigrant Trails, WalkSacramento, the Sacramento Area Bike Advocates, and collaboration with the Sacramento Clean Cities Coalition.

The District's hard-working, dedicated staff and the Board's leadership will enable the District to successfully face these challenges and continue carrying out its mission in the future.

Respectfully submitted,



Larry Greene  
Executive Director/Air Pollution Control Officer

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## SECTION 2

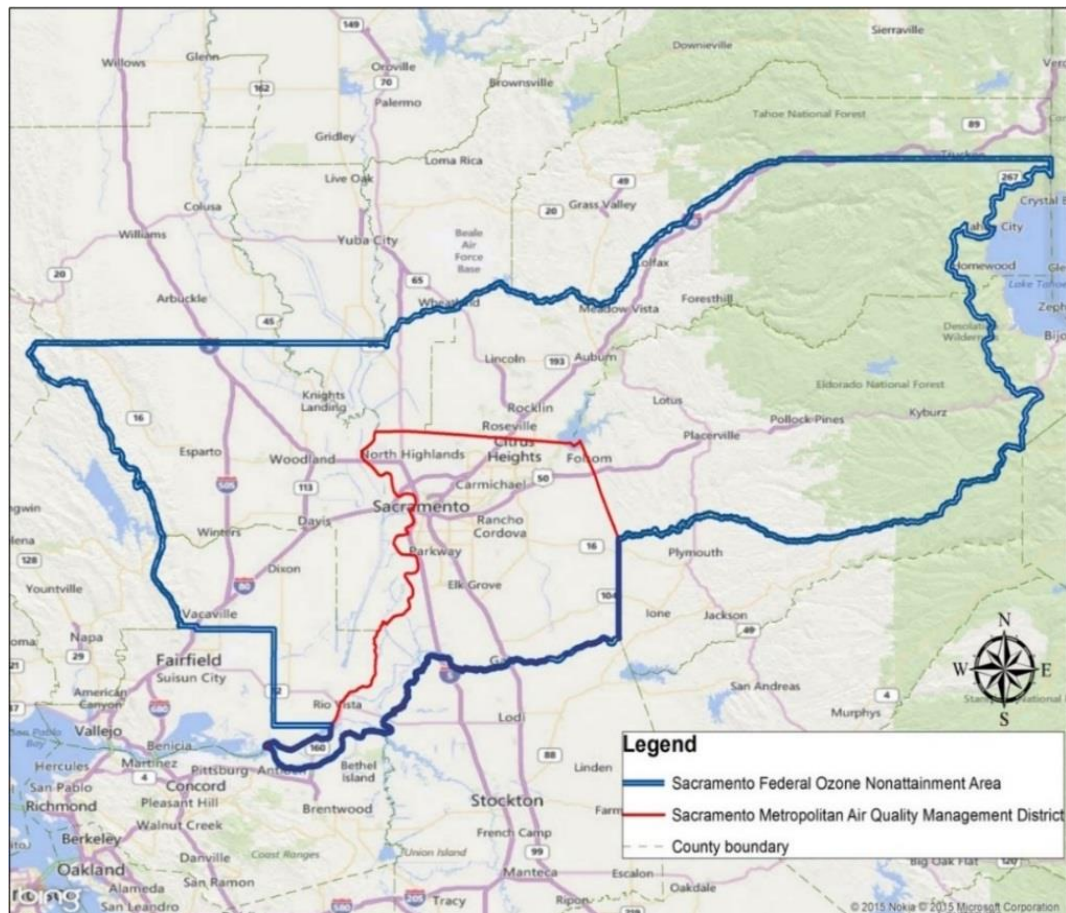
### District Overview

This section contains a profile of the Sacramento Metropolitan Air Quality Management District (District), a summary of the District's FY16/17 (FY16/17) Approved Consolidated Budget and a discussion of the factors affecting the District's financial condition. The FY16/17 Approved Budget totals \$49.4 million from all funding sources and includes 102 total authorized full-time equivalent (FTE) positions with 96 funded and 6 unfunded. No position changes were proposed.

#### DISTRICT PROFILE

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.

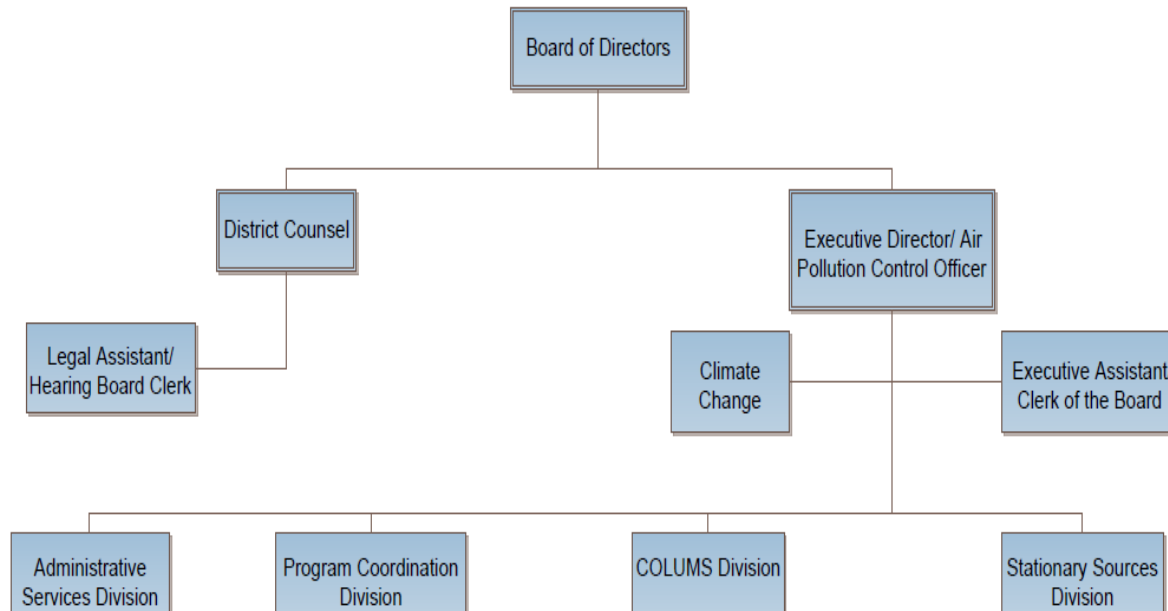
**Map of the Sacramento Federal Ozone Nonattainment Area**



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's

organizational structure, shown below, is comprised of the Offices of the Executive Director and District Counsel, and four operating divisions. There are a total of 102 authorized positions, 96 of which are currently funded.

### Organization Chart



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, or 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.

Sacramento County's population as of January 2016 is approximately 1,495,297. Roughly 63% of the SFNA's population, of approximately 2.4 million, falls within the District's boundaries. The table below identifies the counties that are part of the SFNA, and what portion of the county, and related population, are in the SFNA.

### Population in Sacramento Federal Ozone Nonattainment Area

COUNTY	POPULATION			
	SFNA portion of the County	County <sup>1</sup>	SFNA / County	County in SFNA / Total SFNA
El Dorado	152,513	183,750	83%	7%
Placer	362,582	373,796	97%	15%
Sacramento	1,495,297	1,495,297	100%	63%
Solano	133,764	431,498	31%	6%
Sutter	3,503	97,308	3.6%	<1%
Yolo	214,555	214,555	100%	9%
<b>Total</b>	<b>2,362,214</b>	<b>2,796,204</b>	<b>---</b>	<b>100%</b>

<sup>1</sup> 1/1/2016 estimate from California Department of Finance Demographic Research Unit

A combination of poor atmospheric ventilation, a capping temperature inversion, bordering mountains and sunny days can act to enhance smog formation and effectively trap pollutants in the Basin. The Sacramento region has relatively few “smokestack” industries (stationary sources) compared to the Bay Area and Southern California. Therefore, even if the District was to shut down all of these stationary sources, without further mobile source reductions, it’s unlikely that the region could meet stricter 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 2016, these mobile sources are projected to contribute approximately 39% of the Volatile Organic Compounds (VOC) and 84% of the Oxides of Nitrogen (NO<sub>x</sub>) emissions, while stationary (industrial) sources contribute about 23% of the VOC emissions and 10% of the NO<sub>x</sub> emissions in the Sacramento region. Increasingly stringent 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 SUMMARY

The Governing Board is required to adopt an annual budget by July 1 of each fiscal year. Budgets are adopted on a modified accrual basis that includes encumbrances and expenditures. The annual budget serves as the foundation for the District’s financial planning and control.

The Consolidated Budget reflects the total District Budget comprised of three separate funds: Operating, Covell Building and Emission Technology. Each fund serves a specific purpose and has unique funding sources as noted below:

FUND	Name	Purpose	Primary Funding Source <sup>1</sup>
570A	Operating	Daily operations and programs	Permit fees, DMV, Measure A, Aid from other gov’t agencies (e.g., EPA, CMAQ, ARB, Moyer Admin)
570B	Covell Building	Administrative Building fiscal activity (777 12 <sup>th</sup> Street, Sacramento CA)	Tenant rent
570C	Emission Technology	Pass-through incentive funding	Moyer Incentive, GMERP, DMV

<sup>1</sup>A detailed description of funding sources can be found in the Appendices. (See Appendix A – Description of Funding Sources)

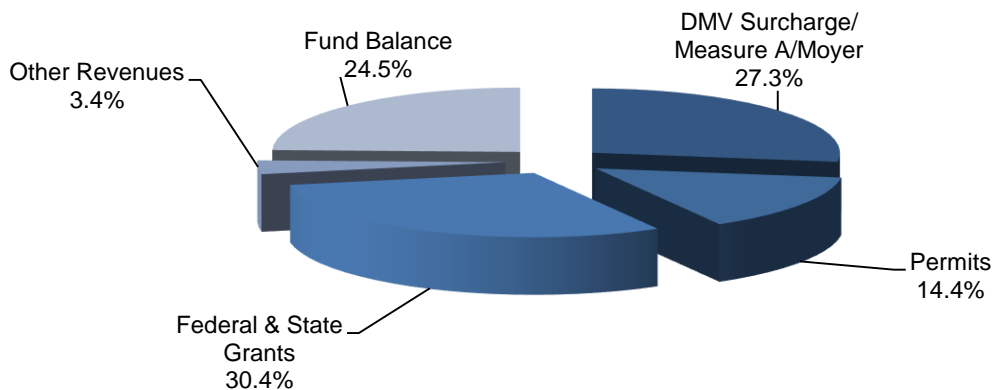
The District’s budget reflects its mission, is fiscally sound, and provides resources that adequately fund operations. Planning efforts include multi-year projections of funding sources and ongoing expenditures to promote long-term planning of resource uses. District management proactively manages revenues and cost-effectively manages ongoing operating costs. The table below is a summary of the FY16/17 Approved Budget by fund, identifying the net expenditure changes from the FY15/16 Amended Budget.

### FY16/17 Approved Budget by Fund

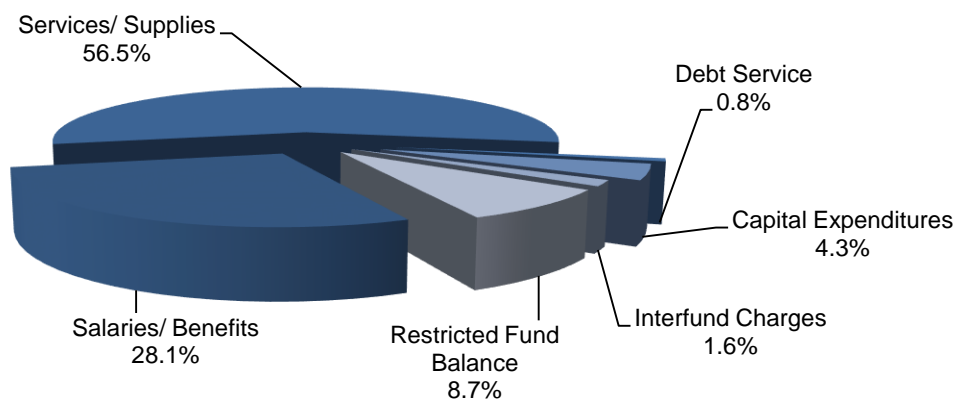
FUND	FY15/16 Amended Budget	Change	FY16/17 Approved Budget
District Operating	21,352,615	1,620,372	22,972,987
Covell Building	1,146,602	10,442	1,157,044
Emission Technology	13,212,102	12,085,346	25,297,448
<b>Combined Total</b>	<b>35,711,319</b>	<b>13,716,160</b>	<b>49,427,479</b>

The following charts identify the percentage of the revenues and expenditures of the total Approved Consolidated Budget of \$49.4 million by category:

### Revenues



### Expenditures



### FACTORS AFFECTING FINANCIAL CONDITION

FY16/17 is the fourth year of the five-year increase in Rule 301 stationary source renewal fees approved by the Board in 2013. A modest 3% increase is expected in the District's portion of DMV surcharges and the Measure A sales tax, due in part to a strengthening economy. Moyer funding would have sunset in 2015; however, with the passage of AB8, this funding source is authorized until 2024. The portion of the DMV \$2 Administrative fee which can be used for the District's administrative costs increased from 5 to 6.25% in January 2016 as a result of legislation. Federal funding for air monitoring is expected to remain consistent through FY16/17; there have been significant delays in the receipt of some federal funding, such as the federal CMAQ funding for the fiscal year beginning in October 2015, which was not received until April 2016.

Regular salaries will increase by 2.1% and there are additional funds budgeted for extra-help and overtime due primarily to toxics grant work. Retirement costs have increased, consistent with the growth in salaries, but also because of an increase in the employer contribution rate. Health care premiums continue to outpace inflation.

Notable changes from the FY15/16 Amended Budget to the FY16/17 Approved Budget include:

Revenues

- One-time grant of \$10 million for the Goods Movement Emissions Reduction Program
- One-time grants of \$769,000 for a state-funded car share program and \$322,000 for the EPA's Diesel Emission Reduction Act program
- \$443,000 (or 8%) increase in stationary source renewal fees from Board-approved fee adjustments

Expenditures

- \$981,000 (or 84%) increase in capital expenditures due to a major initiative to replace and upgrade the District's website and multiple information technology systems
- \$502,000 (or 4%) increase in salaries and benefits due primarily to a 2.1% COLA, increased health care premiums, and increased retirement costs
- Common with the District's Emission Technology Fund, vehicle incentive expenditures are expected to exceed revenues by approximately \$3.4 million as some associated revenues were received in the prior year, necessitating use of fund balance
- \$12.1 million in the use of fund balance, an increase of \$2 million from the prior year, of which \$7.7 million is in the Emission Technology Fund,

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## SECTION 3

# Budget Process

State law requires that the District adopt its budgets in an open process in order to educate the public of the costs and benefits of air quality improvement. To ensure that the District can meet its immediate and long-term needs to support its mission of achieving clean air goals, the District develops annual budgets alongside multi-year financial plans. This section provides an understanding of the processes that guide the District's annual budget in support of its strategic goals, and long-term planning. Common budget terms can be found in the Appendices. (See Appendix C – Glossary)

### **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. Annual budgets, as required by state law, are adopted on a modified accrual basis of accounting. The appropriated budget is prepared by fund, function and division. The District's division managers may make transfers of appropriations within an object (e.g. salaries and benefits, services and supplies, capital outlay and interfund charges). Transfers of appropriations between objects require the approval of the Board. The legal level of budgetary control is the object level.

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 District 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 expenditures 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 and is presented at each of 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, provide direction 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>. Such a 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.



### FY2016/17 Budget Development Schedule

FY2015/16 mid-year review	December 2015
Budget submissions from Division Managers	January 2016
Approval of Comprehensive Annual Financial Report (CAFR) and Audit	January 2016
Budget Notices posted on District website and sent to regulated sources	March 18, 2016
Meeting with Board of Directors Budget Subcommittee	March 24, 2016
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 28, 2016
Second public hearing / vote of the Board to approve the Budget	May 26, 2016
Approved Budget document printed and posted on District website	June 30, 2016

### BUDGET PRACTICES

The District uses the following guidelines in its budgeting practices:

- Management presents to the Board annually a “balanced” budget, where funding sources match expenditures, and include revenues and expenditures for the prior year (actual), current year (budget) and upcoming year (proposed budget).
- Limited term funding sources are not typically applied to ongoing commitments.
- The Board authorizes all regular and limited term positions and a list of approved positions is presented for the prior, current and upcoming (budget) year.
- Requests for additional positions or an increase in regular work hours of approved part-time positions must be presented in a formal written justification. Such requests will typically be included as part of the budget process, but may be approved by the Board outside of the budget process if there is a critical need.
- Board approval is required to amend the budget once it is adopted if there is a need to add funds to the budget or to move funds between object levels.
- Board approval is obtained for all capital expenditures, normally through the budget process.
- Budgets are adopted on a basis that includes encumbrances and expenditures. Annual appropriations lapse at the fiscal year end if they have not been expended or encumbered.
- The budget is adopted on a modified accrual basis. Revenues are recognized when they are measurable and available. “Measureable” means the amount can be determined and “available” means collectible within the current period. Expenditures are recorded when the related fund liability is incurred.

### FINANCIAL POLICIES

The California Health & Safety Code provides the basis for some District financial policies while others are created through Board resolutions. Below is an overview of key financial policies.

#### California Health & Safety Code (HSC)

*District Budget Adoption (HSC §40130)* – The District shall prepare, and make available to the public at least 30 days prior to public hearing, a summary of its budget and any supporting documents, including, but not limited to, a schedule of fees to be imposed by the district to fund its programs. The district shall notify each person who was subject to fees imposed by the district in the preceding year of the availability of information. The district shall notice and hold a public hearing for the exclusive purpose of reviewing the budget and of providing the public with the opportunity to comment upon the proposed district budget.

*Stationary Source Permit Fees (HSC §42311)* – The District may adopt a schedule of annual fees for the evaluation, issuance, and renewal of permits to cover the cost of district programs related to permitted stationary sources. The fees assessed may not exceed, for any fiscal year, the actual costs for District programs for the immediately preceding fiscal year with an adjustment not greater than the change in the annual California Consumer Price Index, as determined pursuant to Section 2212 of the Revenue and



Taxation Code, for the preceding year. Any revenues received by the District pursuant to the fees, which exceed the cost of the programs, shall be carried over for expenditure in the subsequent fiscal year, and the schedule of fees shall be changed to reflect that carryover.

#### District Board Resolutions

*Unrestricted Stationary Source Fund Balance* – Unrestricted stationary source fund balance is authorized up to a maximum of three months operating expenditures.

*Purchasing Policies and Procedures* – The District complies with Board adopted purchasing policies and procedures to procure materials, supplies, equipment and services in the District's best interest through diligent action and fair dealing, thus securing the best price within a reasonable time frame to adequately meet the District's needs. Purchasing protocols and contracting authority are outlined in these procedures.

*Investments* – The District's funds are invested in the Sacramento County Pooled Investment Fund through an agreement between the District and Sacramento County. The Sacramento County Department of Finance provides the Board of Supervisors with an annual investment policy with the purpose of establishing cash and investment guidelines for the Director of Finance, who is responsible for the stewardship of the Sacramento County Pooled Investment Fund.

*Fixed Asset Threshold* – The District defines fixed assets as items valued at \$5,000 or more and having a useful life of at least three years.

### **FISCAL STRATEGIES**

The fiscal strategy for the District strives to meet the following guidelines:

- Maintain sufficient unencumbered fund balance to allow for cash flow requirements, contingencies for unforeseen operational or capital needs, economic uncertainties, local disasters and other financial hardships or downturns in the economy;
- Budget strategy reflects the mission of the District, is fiscally sound and provides resources that realistically fund operations;
- Financial planning includes multi-year projections of funding sources and ongoing expenditures to promote long term planning of resource uses;
- Proactively oversee revenues and cost-effectively control ongoing operating costs;
- Work with the Board to establish major goals in support of the mission of the District which provide short and long term direction to staff, determine the allocation of resources and establish priorities;
- District will not obligate itself to long-term debt without sufficient justification and prior Board approval; and
- Stationary Source fund balance is reviewed on an ongoing basis to insure that the maximum fund balance limit set by the Board is not exceeded.

Fund balance for the Operating Fund declined in FY15/16 due primarily to increased capital expenditures. The Covell Building Fund has been stable as rent received by the fund is generally consistent from year to year and adequately funds operating and capital expenditures. Fund balance for the Emission Technology Fund fluctuates because of one-time grants.

### **STRATEGIC DIRECTION**

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>	<ul style="list-style-type: none"> <li>✓ Honesty and Integrity</li> <li>✓ Dedication</li> <li>✓ Teamwork</li> <li>✓ Leadership</li> <li>✓ Stewardship</li> <li>✓ Innovation</li> <li>✓ Professionalism</li> </ul>
<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>

## PERFORMANCE MEASURES

The District tracks select performance measures which are linked to the District's Strategic Goals. These metrics provide broad measures of the District's effectiveness, efficiency, timeliness, and productivity in critical activities. While key initiatives may change from year to year, performance measures generally reflect progress in core business operations over multiple years. The table below lists key performance measures followed by the Strategic Initiatives for the upcoming fiscal year.

**FY16/17 Performance Measures**

PERFORMANCE MEASURE	FY14/15 Actual	FY15/16 Projected	FY16/17 Target
Update 33% of Area Source Methodologies	No	Yes	Yes
100% of Emission Statement/185 Fee Sources Surveyed	Yes	Yes	Yes
Board Adoption of Rulemaking Activities	2	2	5
> 90% of Audited Parameters Passed (Monitoring Sites)	Yes	Yes	Yes
> 75% Data Completeness for Each Parameter (Monitoring Sites)	7yes/2no	8yes/1no	9yes
Percentage of Permit Applications (Authority to Construct) Processed within 180 Days	73%	65%	>95%
Percentage of Issued Notice of Violations Resolved or Referred to Legal Counsel	91%	90%	100%
Percentage of Violations Successfully Resolved under the Mutual Settlement Process	99%	95%	>90%
Percentage of Scheduled Annual Inspections Completed	76%	80%	85%
Percentage of Scheduled Source Test Reviews Performed	100%	100%	100%
Percentage of Permits to Operate Issued within 2 years of Obtaining an Authority to Construct	94%	95%	>95%
Perform 100% On-Site Audits of Participating Wood Change-Out Retailers	Yes	Yes	Yes
Perform 5% On-Site Random Audits of Wood Change Outs	Yes	Yes	Yes
Provide Confirmation Letter for Construction Mitigation Plans within 4 Business Days of a Complete Submittal	100%	100%	100%
Number of LUTRAN Newsletters Published Each Year	4	4	4
Notify Media and Public the Day Before Every Declared <i>Spare the Air</i> Day	100%	100%	100%
Provide Daily Air Quality Forecast Public Everyday by Noon	100%	100%	100%
Encumber 100% of Current Allocation-Year Moyer Funds by June 30 of the Allocation Year	100%	100%	100%
Liquidate 100% of the Allocation-Year Moyer Funds by June 30 of the Fourth Year After the Allocation Year	100%	100%	100%
Perform a 5% On-Site Random Annual Audit of All Operational Incentive Projects	100%	100%	100%
Non-Retirement Employee Annual Turnover Rate	0%	2%	≤5%

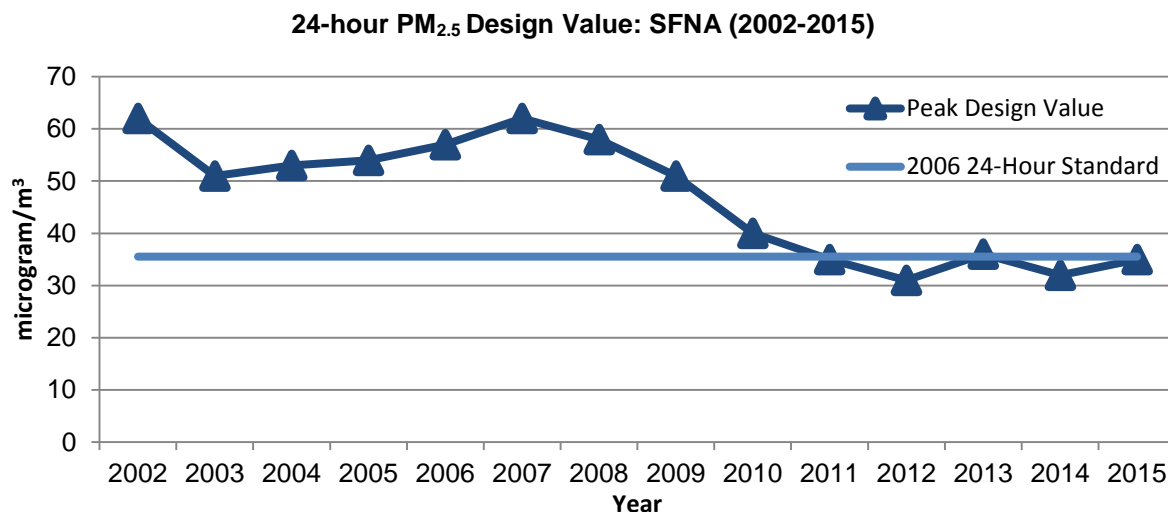
PERFORMANCE MEASURE (Continued)	FY14/15 Actual	FY15/16 Projected	FY16/17 Target
Percent of Planned Training Completed for All Staff	N/A	N/A	100%
Receive the Government Finance Officers Association (GFOA) <i>Certificate of Achievement for Excellence in Financial Reporting</i>	Yes	Yes	Yes
Receive Unmodified Audit Opinion for the CAFR	Yes	Yes	Yes
Receive the GFOA <i>Distinguished Budget Presentation Award</i>	Yes	Yes	Yes
Complete the Budget Year within the Approved/Amended Budget	Yes	Yes	Yes
Significant Deficiency or Material Weakness in Report on Internal Control over Financial Reporting	1	0	0

## STRATEGIC INITIATIVES

In addition to monitoring key performance measures, 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 FY16/17.

### Attainment goals

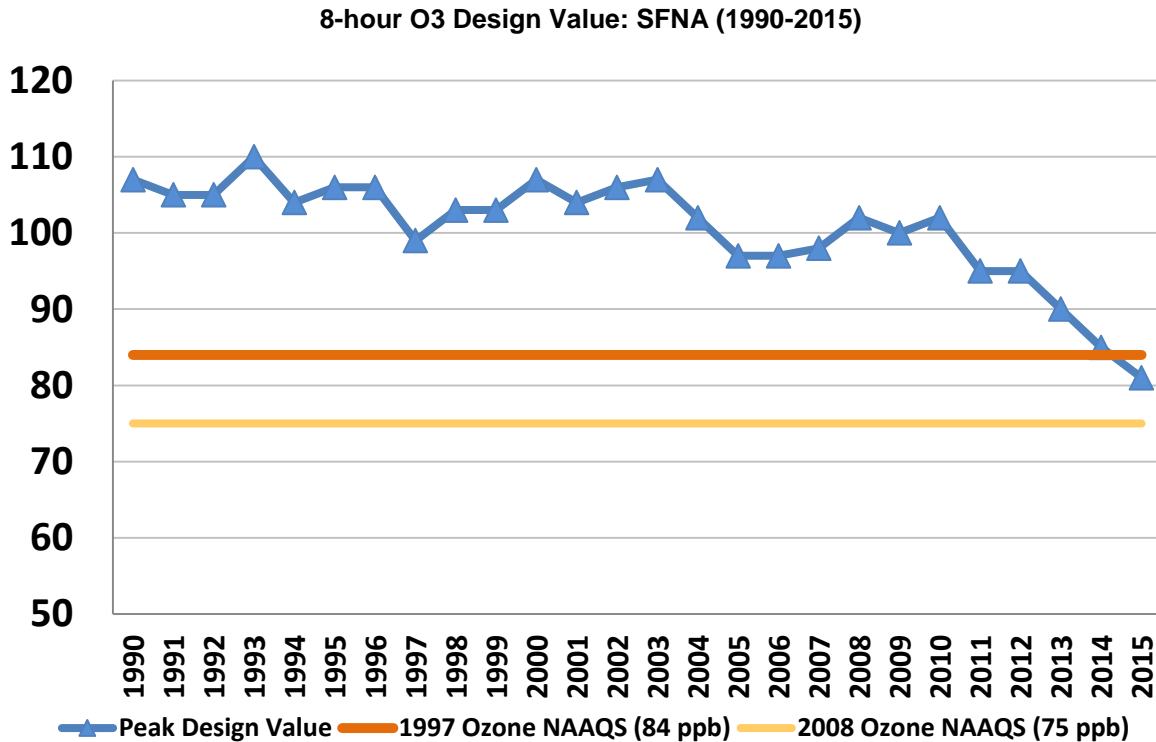
The District will continue to work toward meeting attainment goals. Since mid-2012, the Environmental Protection Agency (EPA) has recognized that Sacramento has met two federal air quality standards: the federal 1-hour ozone standard (in October 2012) and the 24-hour PM<sub>2.5</sub> (in July 2013). Sacramento must update its plan to meet the 2008 ozone health standards in 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 and has continued to stay in attainment in 2015, as shown in the figure below.



While it has been a significant challenge, controlling pollution from wood smoke on key days in the fall and winter is essential to maintaining the federal 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. From previous public opinion surveys, 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 include messages from scientists, doctors and public health experts talking about the dangers of exposure to wood smoke in the “Check Before You Burn” campaign.

For ozone, since 1990, there has been a declining trend in 8-hour ozone exceedances and ozone design value concentration. The current federal standard for ozone (2008 NAAQS) is 75 parts per billion (ppb). The graph below shows the ozone design value for the peak monitoring site in each year and a trend line from 1990 to 2015. The overall 25-year trend line indicates a decline, from 110 ppb, or 35 ppb above the standard, down to 81 ppb, or 6 ppb above the current standard.



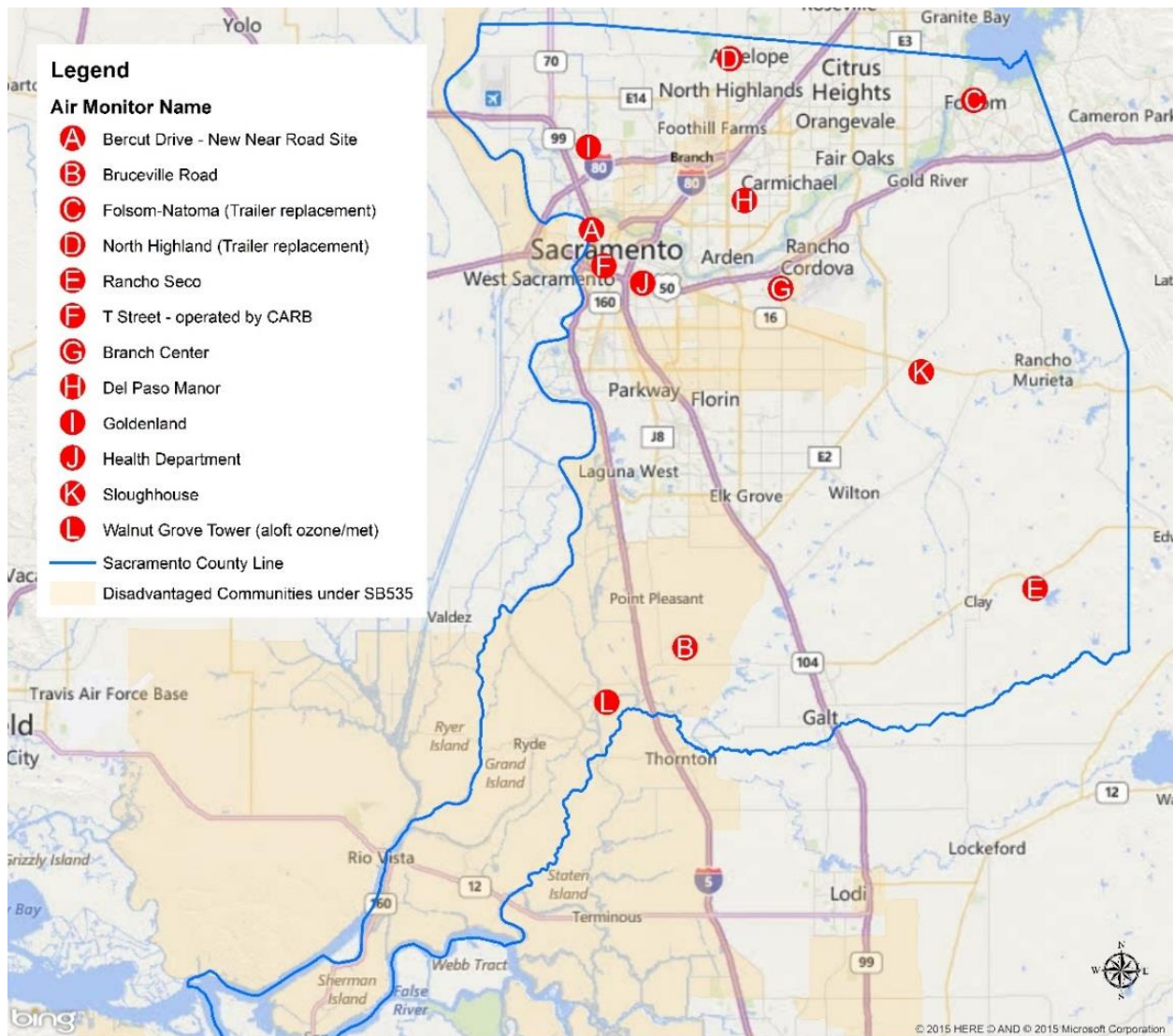
#### Tracking State and Federal Programs

The District is actively engaged in the California Air Pollution Control Officers Association (CAPCOA), which is a critical state association for air pollution control issues. In addition, the District is involved with the National Association of Clean Air Agencies (NACAA) as it serves as a key link for District work with EPA and other agencies at the national level, and for representing local air district issues with a wide range of federal agencies. 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:

- Climate Adaptation
- 2008 National Ambient Air Quality Standard (NAAQS) for Ozone – Plan due in 2016
- 2015 Ozone National Ambient Air Quality Standard for Ozone – Plan due in 2021
- Clean Power Plan under section 111(d) or the Clean Air Act
- Cap and Trade Funding
- Short-lived Climate Forcers
- Statewide (California) Freight Plan
- New Toxics Risk Management Guidelines

## Capital Improvements

Improvements to air monitoring stations are planned including the replacement of two aging air monitoring trailers. Below is a map of the existing air monitoring stations.



## Partnerships

The District has numerous regional, state and federal partnerships that assist the District in achieving its mission. Continuing collaborations and leveraging these partnerships are key elements in meeting the District's regional air quality goals, as many of the reduction strategies are in areas outside District-direct regulatory oversight. 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
- Business Environmental Resource Center
- Environmental organizations: Breathe California, Transform, American Lung Association, etc.

## LONG-TERM FINANCIAL PLANNING

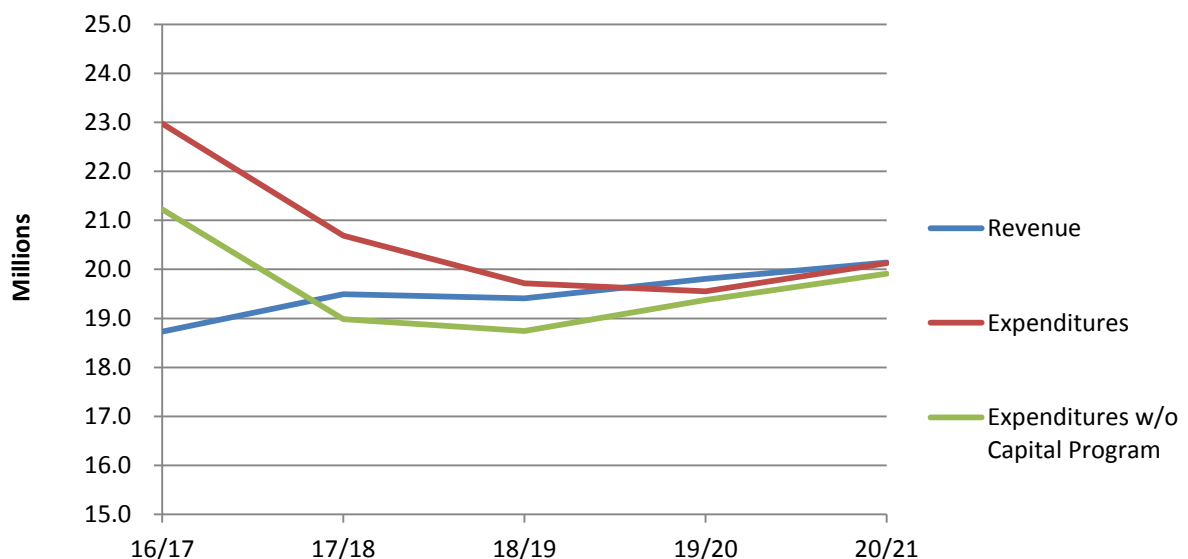
The District annually reviews and updates a five-year financial projection to evaluate the potential internal, external and programmatic changes that can be implemented over the next fiscal year and beyond. As part of the annual review, staff evaluates the need to increase fees. In July 2013, the District Board approved a multiyear fee increase program to ensure sufficient funding for specific programs and to generate a stable and prudent fund balance; the approved increase is reflected in the FY16/17 Approved Budget.

The District's long-term financial plan includes: additional permit fee adjustments as necessary to adequately fund Stationary Source programs; capital expenditures to upgrade and integrate technology solutions, and replace air monitoring stations; and maintenance of prudent reserves. The District will also apply for additional cap and trade and other grants as they are available. The long-term plan supports the key initiatives of meeting air quality attainment goals, enhancing systems, and maintaining the District's air monitoring station network.

The graph below represents a five year forecast of revenues and expenditures in the Operating Fund, as well as expenditures without the Capital program. The following methods are used in the projections:

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

**Five-Year Forecast of Operating Fund Revenues and Expenditures**



The projection above uses the Approved FY16/17 budget as a base and assumes the following:

#### *Revenues*

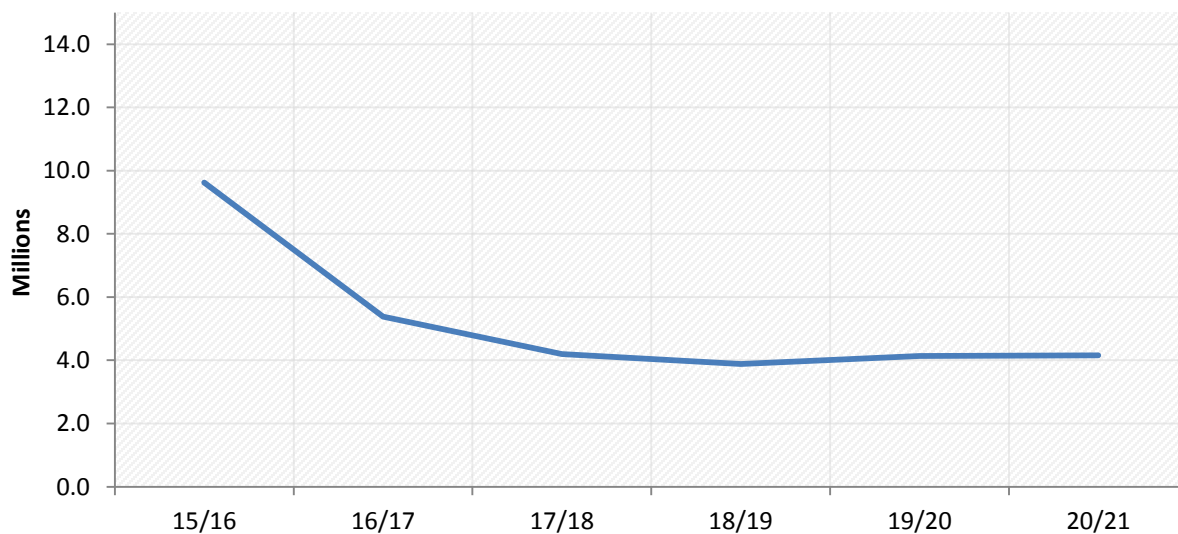
- Sacramento Transportation Authority projections for Measure A sales tax revenue
- 7.4% increase to Rule 301 permit fee revenues in FY17/18 and 2% CPI adjustment thereafter
- Land use revenue of \$210,000 per year
- Settlements at \$350,000 per year
- Interest revenue of 1% of projected fund balance
- SACOG-SECAT program sunsets after FY17/18
- Federal grant revenue of \$2.4 million per year

#### *Expenditures*

- 2.4% annual increase to salaries for COLA and step increases
- 6% annual increase for group insurance based on average increase in health care premiums
- Retirement costs of approximately 15.9% of salaries based on analysis of employer pension and OPEB contributions
- 20% annual increase in replacement parts for air monitoring stations
- Other Professional Services expenditures based on 5-year historical average of \$2.5 million
- Capital expenditures based on 5-year capital budget projections (see Capital Expenditures Forecast on p. 20)
- Operating transfer out for rent of \$806,573 per year based on assumption of no new tenant

Operating Fund balance is projected to decline significantly from FY15/16 to FY17/18 from \$9.6 million to \$4.2 million, and then stabilize. The decline is primarily the result of capital expenditures to upgrade the District's information technology systems and replace aging equipment for its air monitoring stations. The table below shows projected Operating Fund balance.

**Five-Year Forecast of Operating Fund Balance**

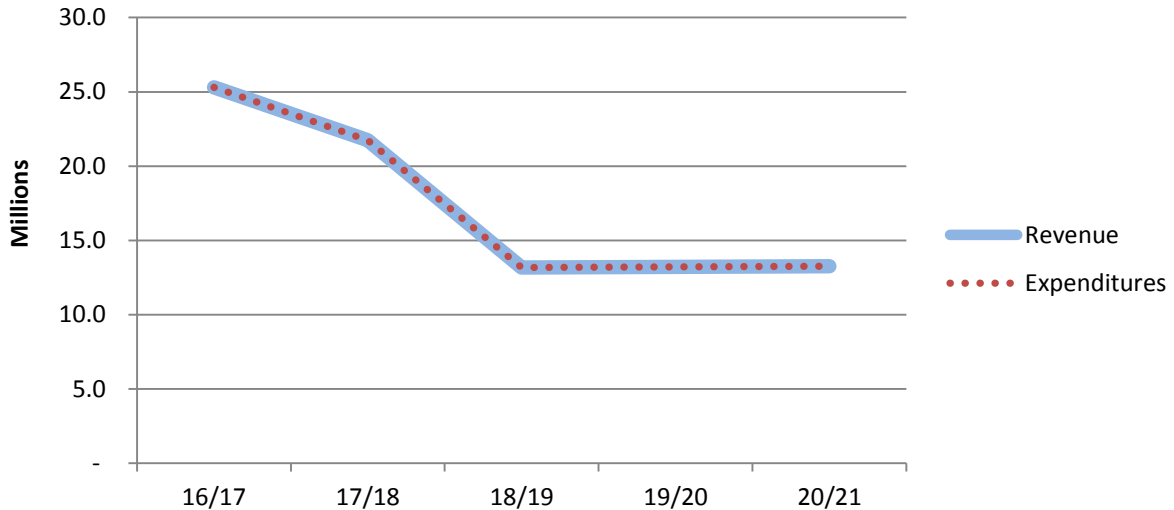


The Covell Building Fund is expected to be fairly stable in the five-year forecast as the District headquarters building is relatively new and annual maintenance is anticipated to be consistent. Moving forward, major rehabilitation and replacement projects will be identified along with expected funding 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 few years are expected to be stable with respect to grant funding, there is growing uncertainty into the future as some grants are scheduled to sunset, and may not be extended or replaced with other funding.

#### Five-Year Forecast of Emission Technology Fund Revenues and Expenditures



The projection above assumes the following:

- DMV \$2 - 2% increase per fiscal year
- SECAT- Receive \$6 million in FY17/18 and grant ends that year
- SECAT-Other - Receive \$3 million from FY18/19 to FY20/21
- GMERP - \$10 million in FY16/17; Grant ends in FY17/18
- Moyer - \$4 million per year based on historical revenues
- ARB- Sac Regional Zero Emission School Bus - One-time \$7.4 million grant in FY17/18
- ARB AQIP - Receive \$3 million from FY18/19 to FY20/21

#### Capital Expenditures Forecast

The District projects capital expenditures for 5 years. The District does not currently have a mechanism for funding multiyear capital projects and 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/reporting of its larger assets.

Projected capital expenditures in the Operating Fund include expenditures related to the District's network of 11 air monitoring stations. In FY18/19, facilities and equipment will be upgraded at the Del Paso Manor air monitoring station to meet the new federal air monitoring requirements for Photochemical Assessment Monitoring Stations. Repairs and maintenance will average \$120,000 per year after FY16/17.

The District plans to replace one to two vehicles per year and will spend \$20,000 per year on replacing servers and switches in its IT system. The District will spend \$150,000 in FY18/19 to replace its IT storage system.

Major capital expenditures in the Covell Building Fund include updates for the break room/conference rooms in FY17/18 and replacing the HVAC system in FY19/20.

### Five-Year Capital Forecast

Program	Description	Fiscal Year				
		16/17	17/18	18/19	19/20	20/21
Air Monitoring	Trailers/structures	325,000	-	330,000	-	-
	Repair and maintenance	197,000	126,000	86,000	67,000	70,000
Fleet	Fleet replacement	105,000	70,000	35,000	35,000	70,000
Information Systems	Network infrastructure	-	20,000	170,000	20,000	20,000
	Systems Integration Project	1,120,000	1,500,000	300,000	-	-
<b>Total Operating Fund</b>		<b>1,747,000</b>	<b>1,716,000</b>	<b>921,000</b>	<b>122,000</b>	<b>160,000</b>
Covell Building	Repairs/Upgrades	398,000	150,000	100,000	150,000	50,000
<b>Total Covell Building Fund</b>		<b>398,000</b>	<b>150,000</b>	<b>100,000</b>	<b>150,000</b>	<b>50,000</b>
<b>All Funds</b>		<b>2,145,000</b>	<b>1,866,000</b>	<b>1,021,000</b>	<b>272,000</b>	<b>210,000</b>

## SECTION 4

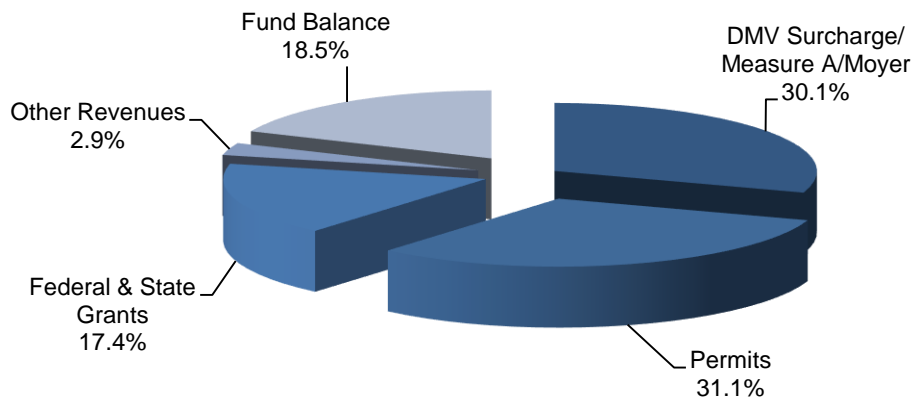
### Fund Information

This section contains descriptions of the District's funds and their associated budgets Approved for FY16/17. Historical trends of revenues, expenditures and fund balance are presented to provide context for the current year's budget.

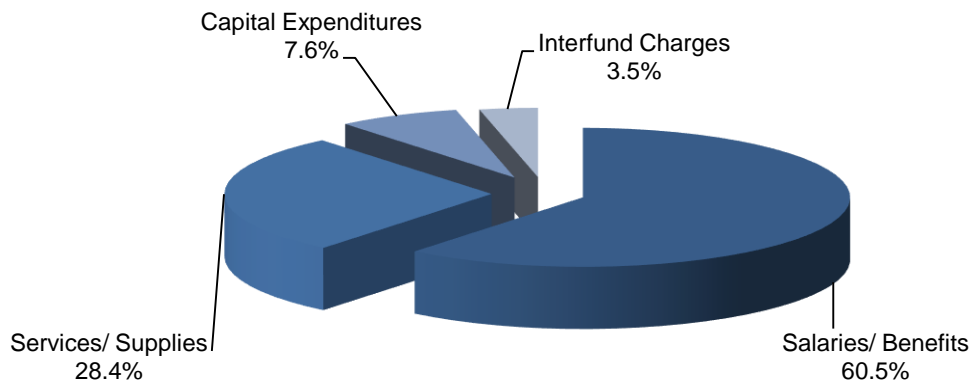
#### OPERATING FUND 570A

The Operating Fund reflects financial activity of all operational programs of the District apart from the Emission Technology incentive programs. The total Approved Operating Budget is \$23.0 million. Fund balance is closely managed to ensure it remains at sustainable levels.

##### Revenues



##### Expenditures



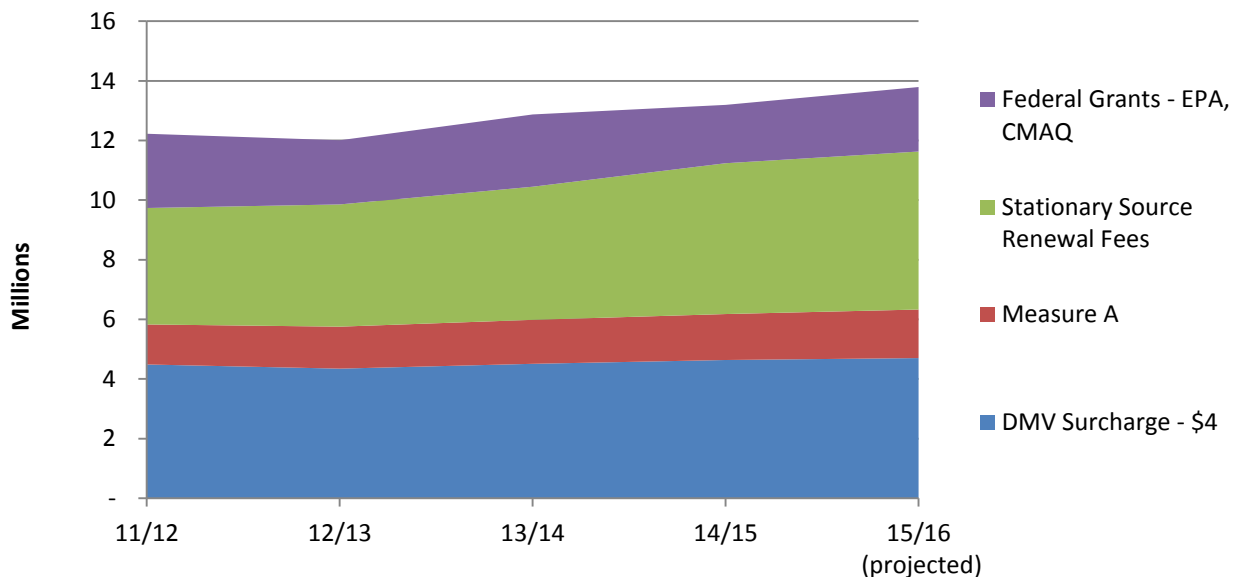
The Operating Budget includes new revenues of \$18.7 million and use of fund balance of \$4.2 million, an increase of \$1.6 million from the FY15/16 Amended Budget. However, historically, the District has been under budget in Other Professional Services and has not fully expended the amount of fund balance budgeted.

There is a projected growth in new revenue from the prior year of \$1.2 million. Significant factors in the increase are:

- State grants for the administrative portion of new Car Share and Diesel Emissions Reduction Act grants of \$499,000;
- Stationary source renewal fees as a result of Board-approved fee adjustments and CPI adjustments in other fees where applicable of \$443,000;
- DMV surcharges of \$200,000, and
- Land use mitigation fees as more construction projects are anticipated in FY16/17 of \$55,000.

Historically, the Operating Fund has received the majority of its revenue from DMV surcharges, Measure A sales tax, stationary source permit fees, and federal grants.

**5-Year Trend of Major Revenue Sources for the Operating Fund**



The graph above shows that DMV surcharges and Measure A sales tax revenues have gradually increased over the last five years, consistent with the strengthening economy. Stationary Source renewal fees show a more pronounced increase following the 5-year fee increase approved by the Board in 2013, while federal grant revenue has fluctuated due to one-time grants. Most revenues have restrictions and are used to fund allowable personnel, operating, and capital expenditures.

The table below reflects the expenditure changes and highlights the major adjustments in the Operating Fund from the FY15/16 Amended Budget to the FY16/17 Approved Budget.

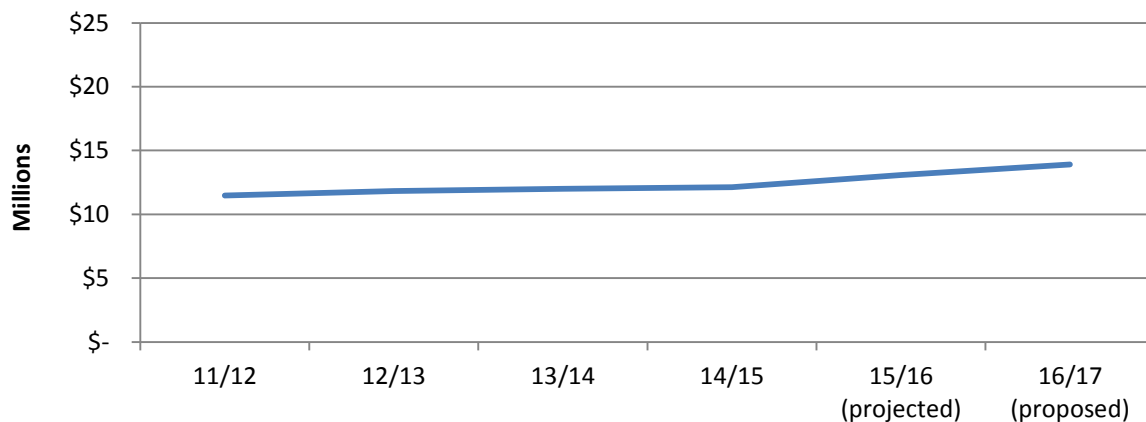
**Operating Fund – Expenditure Changes**  
**(FY15/16 Amended Budget to FY16/17 Approved Budget)**

Salary & Wages (2.1% COLA, Steps, Funded Positions)	215,524
Retirement Contribution	116,507
Medicare, Health & Other Insurance	169,900
<b>Salaries &amp; Benefits</b>	<b>501,931</b>
Travel and Training	22,733
Expendable Tools (replacement parts for air monitoring stations)	49,607
Other Professional Services	25,431
IT Hardware	31,113
Miscellaneous	40,888
<b>Services &amp; Supplies</b>	<b>169,772</b>
Capital Expenditures (Systems Integration/Air Monitoring)	948,668
<b>Capital Expenditures</b>	<b>948,668</b>
<b>Interfund Charges</b>	<b>-</b>
<b>Total Operating Fund Changes</b>	<b>1,620,371</b>

The principle net expenditure increases from the prior year are as follows:

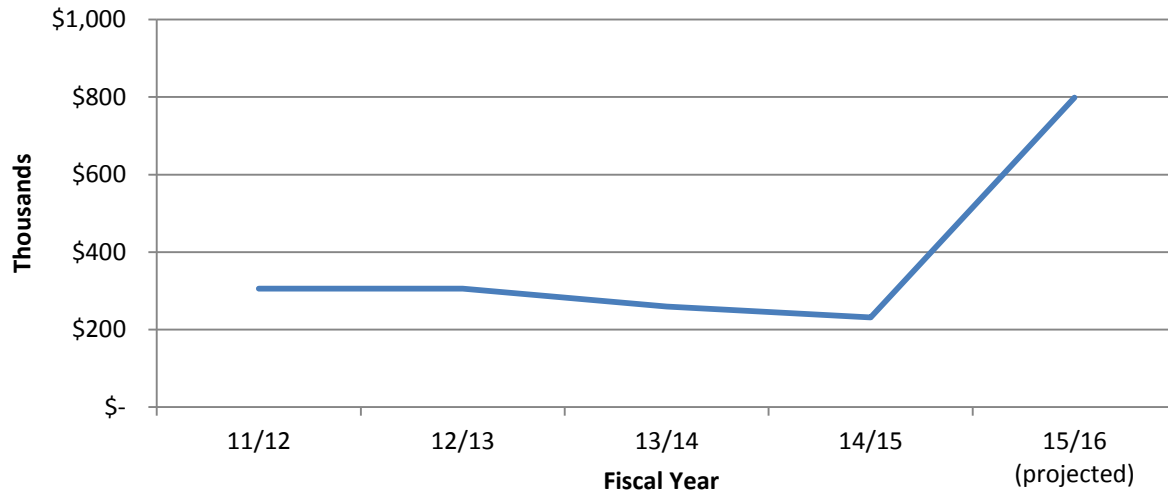
- Capital expenditures increasing 119%, or approximately \$950,000, due to major initiatives to replace and upgrade the District's website and multiple information technology systems, as well as air monitoring station replacement and upgrades; and
- Salaries and benefits increasing 4%, or approximately \$502,000, due primarily to a 2.1% negotiated COLA, increased health care premiums, retirement costs, and overtime/extra help for community air toxics grant work.

**5-Year Trend of Salaries and Benefits**



The graph above shows that salaries and benefits increased in FY15/16 primarily as the result of funding two existing positions, cost of living adjustments and increases in pension and healthcare costs.

### 5-Year Trend of Capital Expenditures for the Operating Fund

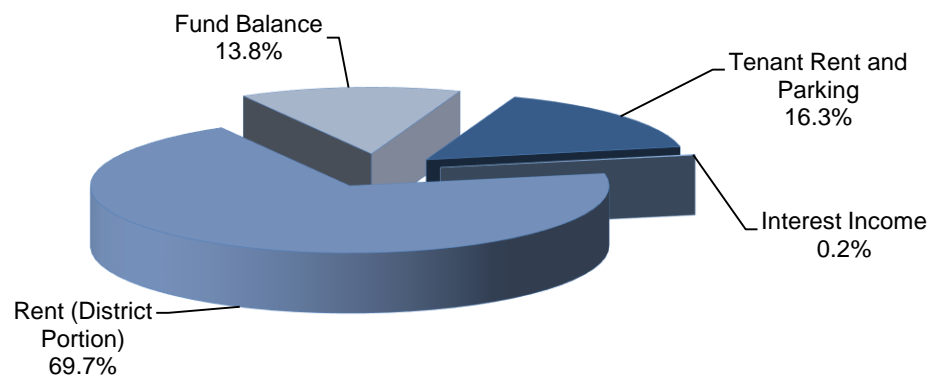


Capital expenditures were between \$200,000 and \$300,000 from FY11/12 to FY14/15. Expenditures on IT infrastructure and replacements and upgrades for the District's aging air monitoring station network resulted in an increase in capital expenditures for FY15/16.

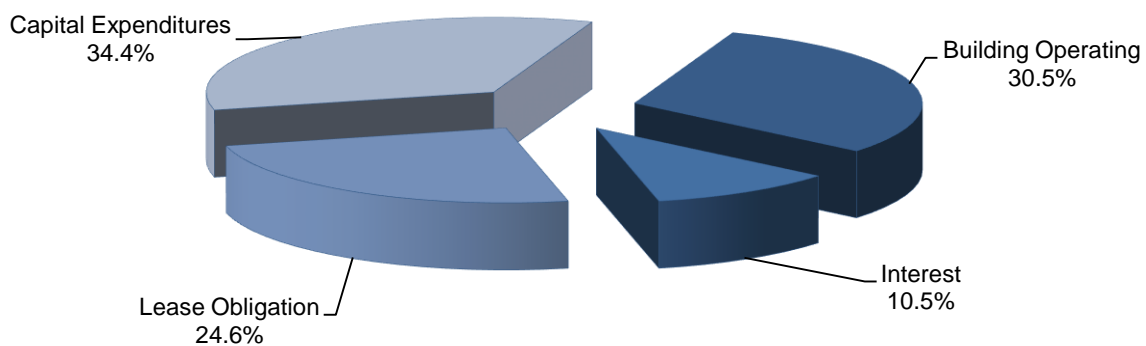
### COVELL BUILDING FUND 570B

The Covell Building Fund supports the financial activities of the District's headquarters building. The total Approved Covell Building Fund Budget is \$1.2 million.

#### Revenues



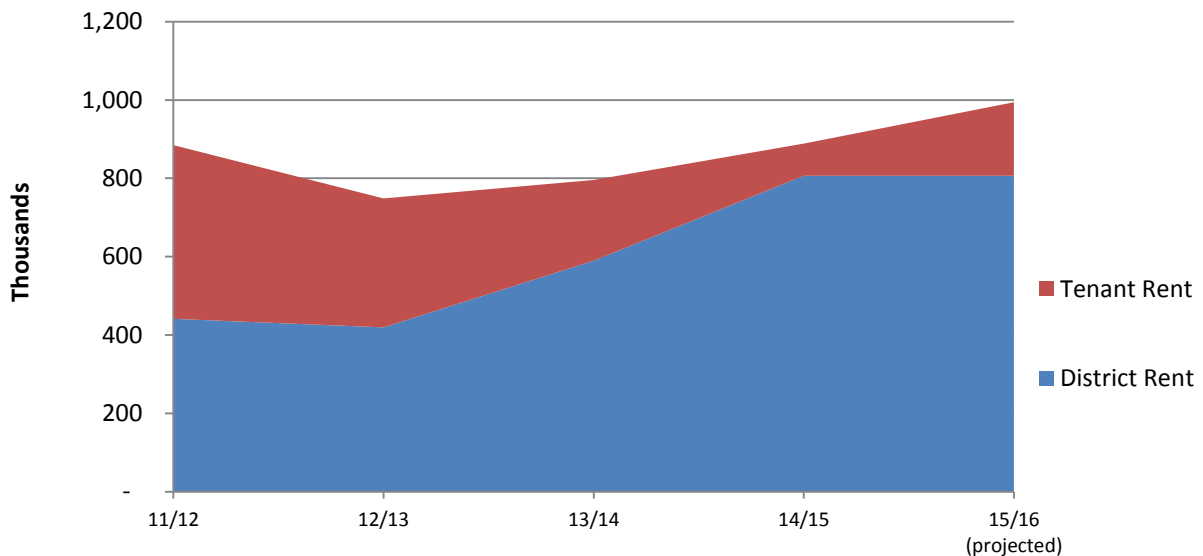
#### Expenditures



The District moved into the building as a tenant in 1999, and in 2002, purchased the building through a debt issue along with other funding. District staff occupies the 3<sup>rd</sup> floor, approximately 19,200 square feet, and another 2,700 square feet on the 2<sup>nd</sup> floor. The remaining 16,000+ square feet on the 2<sup>nd</sup> floor is currently designated for tenants. Currently, a portion of the 2<sup>nd</sup> floor is vacant. While the District will continue to seek tenants for the vacant space, no revenue associated with additional tenants is projected in the Approved Budget. District staff has a need for additional meeting and temporary staffing space, and therefore is currently utilizing a portion of the vacant space for this purpose. The 1<sup>st</sup> floor is covered parking managed on behalf of the District by Standard Parking. In FY11/12, the District refinanced the debt used to purchase the building and the purchase obligation is scheduled to be fully paid off in FY26/27. See page 35 (Debt Obligation) for more information.

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 against parking garage expenditures.

#### 5-Year Trend of Rent Revenue

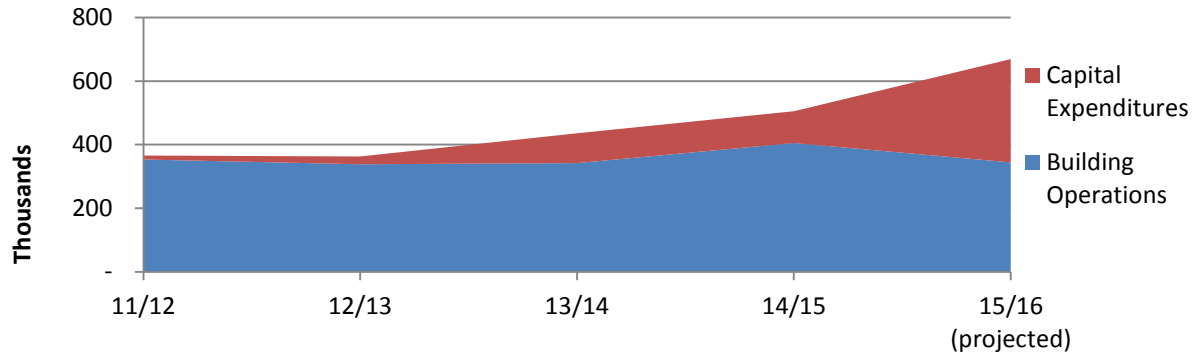


Despite efforts to secure and retain tenants for the 2<sup>nd</sup> floor of its headquarters building, the District continues to have vacancies, in part because it can only rent to other government agencies. One tenant left in FY13/14 and another in FY14/15. A new tenant signed a lease in FY14/15 and started paying rent in FY15/16. The District pays rent to itself through a transfer from the Operating Fund to the Covell Building Fund and the District's portion of the rent has increased to make up for the shortfall in rent from other tenants.

Expenditures for FY16/17 are comprised primarily of three categories: operating expenditures, purchase obligation retirement (principal and interest) and building improvement/upgrade projects such as tenant improvements and general maintenance and upkeep.

The FY16/17 Approved Budget includes new revenues of \$997,000 and use of fund balance of \$160,000 for a total of \$1.2 million. This reflects a \$10,000 increase from the FY15/16 Amended Budget. District rent, which is 70% of the Fund's revenue, remains at \$806,573. \$398,000 is budgeted for capital expenditures, and includes \$193,000 for building improvements, \$50,000 for space planning reconfiguration, \$50,000 for window replacements, and \$40,000 for ADA compliance upgrades and \$65,000 for various other items.

### 5-Year Trend of Building Operating and Capital Expenditures

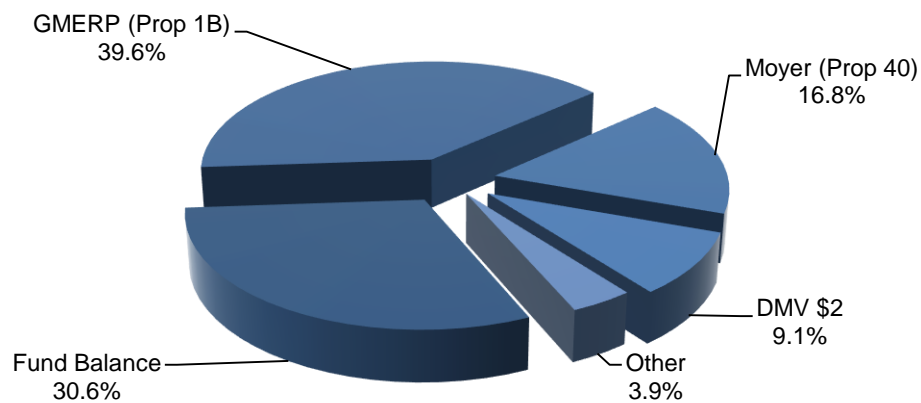


Expenditures for building operations spiked slightly in FY14/15 due to payment of commission for securing a new tenant. Capital expenditures increased gradually from FY11/12 to FY14/15 for upgrades to the elevator, the replacement of an HVAC system, and the addition of security cameras. The significant increase in FY15/16 was for numerous projects including flooring replacement, ADA compliance updates, HVAC & electrical upgrades, and other improvements.

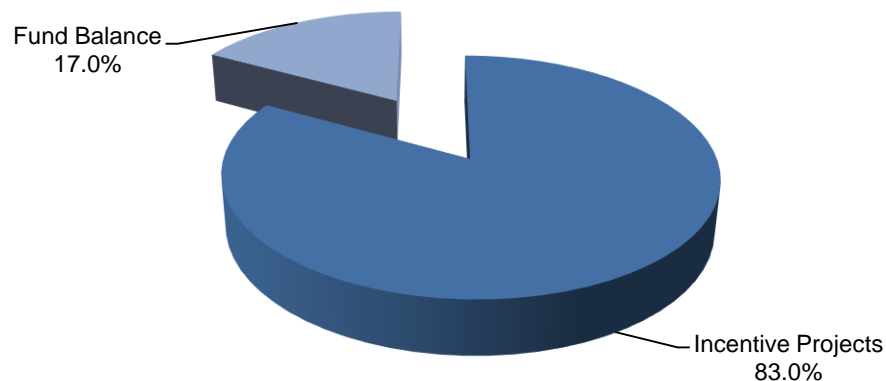
### EMISSION TECHNOLOGY FUND 570C

Emission Technology Funds are made available as an incentive for owners of heavy duty on-road vehicles, such as buses and heavy-duty trucks, and owners of off-road equipment, such as that used in agriculture and construction, to modernize their equipment with lower or zero-emission options. Options include re-power, retrofit and replacement of the equipment. The total Emission Technology Fund Budget is \$25.3 million.

#### Revenues



#### Expenditures





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 \$17.6 million and use of fund balance in the amount of \$7.7 million for a total of \$25.3 million. This is an increase of \$12.1 million from FY15/16 Amended Budget.

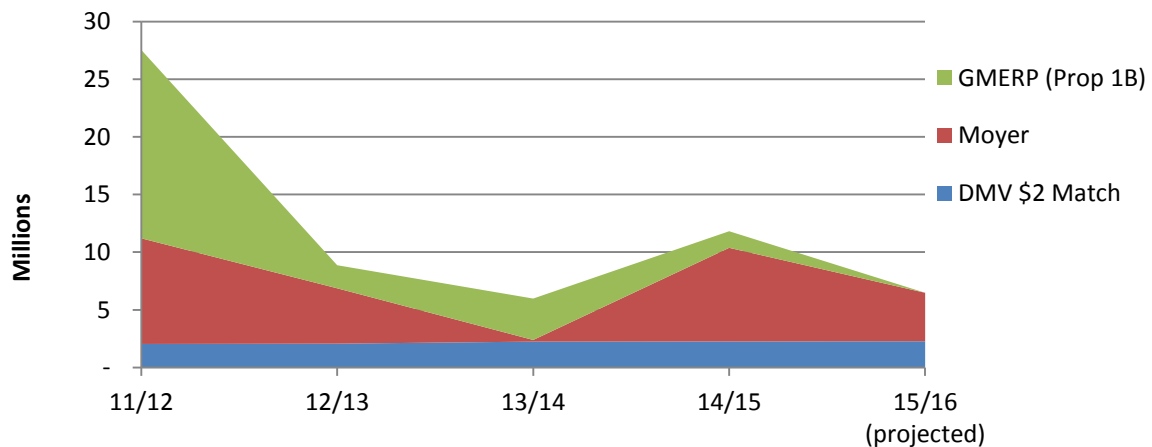
Each year, the District receives revenues to fund the Emission Technology programs. Prior year funding received for these programs is budgeted and expended before current year revenues. Therefore, use of fund balance (prior year resources) is common in this fund, as well as a movement of current year funds into Emission Technology fund balance. Below is a table reflecting this dynamic with \$17.6 million budgeted for new revenues and \$7.7 million budgeted from fund balance (prior year revenues). It is projected that \$4.3 million of the new revenues will go back into fund balance for a net decrease of \$3.4 million.

#### Emission Technology Fund – FY16/17 Approved Revenues

Moyer Incentive Program	4,253,125
DMV \$2 Match	2,294,239
GMERP (Prop 1B)	10,000,000
Other	1,023,554
<b>New Revenues</b>	<b>17,570,918</b>
Moyer Incentive Program	4,480,769
GMERP (Prop 1B)	2,540,000
DMV \$2 Match	705,761
<b>Use of Fund Balance (Carry Forward)</b>	<b>7,726,530</b>
<b>Total Emission Technology Revenues</b>	<b>25,297,448</b>

Major revenue sources for the Emissions Technology Fund include the Moyer Incentive Program, DMV \$2 surcharge, and the Good Movement Emission Reduction Program. The graph below shows major revenues by source for the last five years.

#### 5-Year Trend of Major Revenue Sources for the Emissions Technology Fund

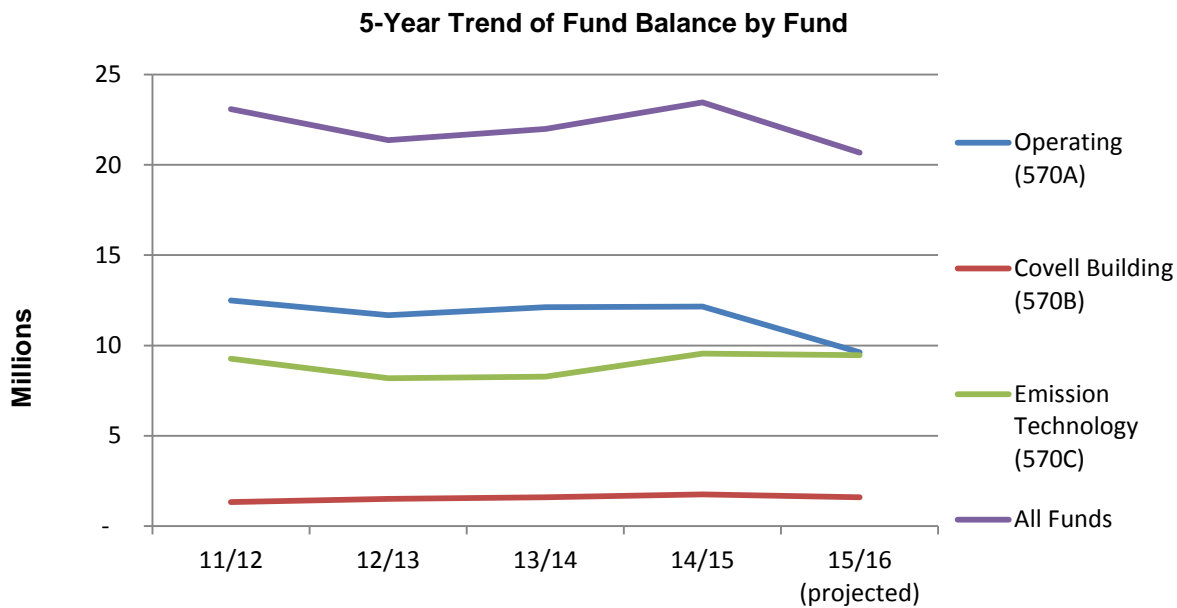


Funding for the Emission Technology Fund is much more volatile than the Operating or Covell Building Funds due to one-time grants. DMV \$2 match revenue, however, is fairly stable. The Moyer revenue decrease in FY13/14 and increase in FY14/15 was the result of a delay in receipt of FY13/14 funding until

FY14/15. \$16 million in GMERP revenue was received in FY11/12 for a one-time grant, which causes revenue for subsequent years to appear much lower by comparison. Because the Emissions Technology Fund is a pass-through fund for vehicle incentive payments and has no personnel or capital expenditures, expenditures generally mirror revenues.

### FUND BALANCE

Fund balance is 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. The District seeks to maintain an adequate fund balance for each fund.



## SECTION 5

### Budget Schedules

This section presents the Consolidated District and fund budgets. The schedules show the actuals for the previous year (FY14/15), the amended budget and year-end projection for the current year (FY15/16), and the Approved budget for FY16/17, as well as the variance between the amended budget for the current year and the Approved budget. Following the fund budget schedules, there is the Summary of Sources, Use and Fund Balance which shows the projected year-end fund balance for the current year and FY16/17 by fund. In addition, this section includes the budget schedules for Capital Expenditures, Debt Service and Sponsorships.

#### CONSOLIDATED DISTRICT BUDGET

Description	FY14/15 Actual	FY15/16 Amended	FY15/16 Projected	FY16/17 Approved	Variance Amended/ Approved
DMV /Measure A/ Moyer	17,210,334	13,020,107	13,237,846	13,472,815	452,708
Permits	6,451,757	6,751,956	6,683,025	7,140,580	388,624
Federal & State Grants	5,487,346	4,277,246	4,058,926	14,980,691	10,703,445
Other Revenues	1,995,751	1,551,490	1,713,716	1,704,801	153,311
Fund Balance	5,249,114	10,110,520	7,563,501	12,128,592	2,018,072
<b>Total Revenues</b>	<b>36,394,302</b>	<b>35,711,319</b>	<b>33,257,014</b>	<b>49,427,479</b>	<b>13,716,160</b>
Salaries & Benefits	12,112,939	13,396,624	13,080,756	13,898,555	501,931
Services & Supplies	16,296,448	15,838,188	13,054,987	27,882,682	12,044,494
Debt Service	410,169	405,632	405,632	406,544	912
Capital Expenditures	331,343	1,164,302	1,123,332	2,145,000	980,698
Interfund Charges	1,009,616	806,573	806,573	806,573	-
Restricted Fund Balance	6,233,787	4,100,000	4,785,734	4,288,125	188,125
<b>Total Expenditures</b>	<b>36,394,302</b>	<b>35,711,319</b>	<b>33,257,014</b>	<b>49,427,479</b>	<b>13,716,160</b>

#### OPERATING BUDGET 570A

Description	FY14/15 Actual	FY15/16 Amended	FY15/16 Projected	FY16/17 Approved	Variance Amended/ Approved
DMV / Measure A / Moyer	6,835,289	6,675,296	6,762,413	6,925,451	250,155
Permits	6,451,757	6,751,956	6,683,025	7,140,580	388,624
Federal & State Grants	2,907,116	3,473,427	3,273,502	3,992,137	518,710
Other Revenues	1,064,055	610,317	764,514	672,476	62,159
Fund Balance	147,963	3,841,619	2,531,982	4,242,343	400,724
<b>Total Revenues</b>	<b>17,406,180</b>	<b>21,352,615</b>	<b>20,015,436</b>	<b>22,972,987</b>	<b>1,620,372</b>
Salaries & Benefits	12,112,938	13,396,624	13,080,756	13,898,555	501,931
Services & Supplies	4,052,283	6,351,086	5,329,775	6,520,859	169,773
Capital Expenditures	231,343	798,332	798,332	1,747,000	948,668
Interfund Charges	1,009,616	806,573	806,573	806,573	-
<b>Total Expenditures</b>	<b>17,406,180</b>	<b>21,352,615</b>	<b>20,015,436</b>	<b>22,972,987</b>	<b>1,620,372</b>

**Operating Fund 570A – Revenue Detail**

Account	Description	FY14/15 Actual	FY15/16 Amended	FY15/16 Projected	FY16/17 Approved	Variance Amended/ Approved
91915100	DMV Surcharge - \$4	4,635,712	4,635,038	4,700,369	4,794,376	159,338
91915200	Measure A	1,541,388	1,636,524	1,628,660	1,678,126	41,602
91919900	DMV Surcharge - \$2 Fees-Admin	106,312	115,876	134,879	156,074	40,198
92926100	Land Use Mitigation Fees	121,986	26,200	80,000	80,850	54,650
92929000	ERC - Transfer of Credit	5,638	10,793	6,428	9,980	(813)
92929024	SEED - Loan fees	192,665	36,116	19,897	25,000	(11,116)
92929027	SEED - Renewal Fees	72,520	69,460	66,135	81,204	11,744
92929031	Re-inspection Fees	2,199	1,464	1,256	1,480	16
92929034	Title V Permit Fees	120,225	180,489	155,000	155,000	(25,489)
92929035	Source Tests	169,237	189,938	190,000	192,027	2,089
92929051	Initial Fee	541,686	519,634	450,000	483,000	(36,634)
92929052	Stationary Source Renewal Fees	5,059,167	5,357,392	5,300,000	5,800,000	442,608
92929053	Ag Engine Registration Fee	-	1,500	2,000	2,176	676
92929053	Agricultural Burning Field Crops	13,343	14,500	10,100	14,500	-
93933000	PERP	111,818	110,000	128,109	111,210	1,210
93934000	Civil Settlements	569,708	300,000	525,000	303,300	3,300
94941000	Interest	25,241	5,000	-	25,000	20,000
95953100	Aid From Local Govt Agencies	67,953	20,000	138,641	50,333	30,333
95953100	SECAT Enhanced	57,831	125,000	47,750	128,762	3,762
95953100	SACOG-SECAT	523,126	600,000	525,000	606,600	6,600
95956900	State Grants	359,330	450,860	446,948	949,707	498,847
95956905	Moyer Admin Fees	551,877	287,858	298,505	296,875	9,017
95958900	Federal Grants - EPA, CMAQ	1,956,707	2,402,567	2,162,913	2,385,497	(17,070)
96963313	Miscellaneous Revenues	17,375	1,000	57,060	1,012	12
96964100	Planning Service Charges	9,287	8,000	8,004	8,088	88
97979016	Asbestos Plan Fees	238,621	200,000	200,000	202,200	2,200
97979020	State Toxics Emissions Fee	169,914	173,039	180,000	174,942	1,903
97979022	Variances	7,348	1,000	7,500	1,011	11
97979024	NOA Asbestos Fees	824	2,000	2,000	2,022	22
97979027	Admin Fees	9,179	29,748	11,300	10,292	(19,456)
<b>New Revenues</b>		<b>17,258,217</b>	<b>17,510,996</b>	<b>17,483,454</b>	<b>18,730,644</b>	<b>1,219,648</b>
91915100	DMV Surcharge \$4	147,963	1,713,748	998,256	1,965,567	251,819
91915200	Measure A	-	589,416	398,151	-	(589,416)
91919900	DMV \$ 2	-	-	-	50,000	50,000
92926100	Land Use Mitigation Fees	-	1,019,851	688,910	1,104,296	84,445
92929024	SEED/ERC	-	237,518	160,444	201,993	(35,525)
92929052	Stationary Source Permitting Fees	-	(382,946)	7,697	-	382,946
95956900	State Grants	-	-	-	200,000	200,000
93934000	Settlements	-	195,237	131,883	400,000	204,763
95953100	SECAT Enhanced	-	251,711	-	150,487	(101,224)
95953100	Other Local Agencies	-	148,278	100,162	170,000	21,722
97979020	State Air Toxics Emissions Fee	-	68,806	46,479	-	(68,806)
<b>Fund Balance</b>		<b>147,963</b>	<b>3,841,619</b>	<b>2,531,982</b>	<b>4,242,343</b>	<b>400,724</b>
<b>Total Operating Revenues</b>		<b>17,406,180</b>	<b>21,352,615</b>	<b>20,015,436</b>	<b>22,972,987</b>	<b>1,620,372</b>

## Operating Budget 570A – Expenditure Detail

Account	Description	FY14/15 Actual	FY15/16 Amended	FY15/16 Projected	FY16/17 Approved	Variance Amended/ Approved
10111000	Salaries & Wages - Regular	8,941,268	9,856,883	9,581,622	10,003,076	146,193
10112100	Salaries & Wages - Extra Help	36,487	62,139	65,301	95,367	33,228
10112400	Salaries & Wages - BOD	10,403	10,000	10,000	10,000	-
10113200	Salaries & Wages - OT	23,508	18,784	17,999	53,553	34,769
10113200	Salaries & Wages - Reimbursed OT	5,000	5,000	5,000	5,000	-
10114100	Salaries & Wages - Premium Pay	64,361	66,706	65,083	68,040	1,334
10121000	Retirement - Employer Cost	1,163,901	1,399,518	1,345,201	1,516,025	116,507
10122000	FICA/Medicare	578,573	625,117	573,839	651,218	26,101
10123000	Group Insurance	1,184,030	1,234,450	1,299,690	1,377,646	143,196
10124000	Compensation Insurance	83,356	90,000	88,994	90,000	-
10125000	Unemployment (SUI)	22,051	28,027	28,027	28,630	603
<b>Total Salaries and Benefits</b>		<b>12,112,938</b>	<b>13,396,624</b>	<b>13,080,756</b>	<b>13,898,555</b>	<b>501,931</b>
20200500	Advertising	11,557	34,700	29,292	35,009	309
20202200	Books/Periodicals - Supplies	1,466	1,454	685	3,493	2,039
20202300	Audio-Video	4,343	4,600	5,488	4,729	129
20202400	Periodical/Subscriptions	36,720	35,755	35,679	38,723	2,968
20202900	Business and Conference Expense	102,480	106,500	140,572	124,989	18,489
20203500	Education & Training Services	28,311	25,000	28,050	29,244	4,244
20203803	Recognition Events	3,585	4,700	8,468	4,850	150
20203804	Workplace Amenities	4,801	5,300	4,299	5,300	-
20203900	Employee Transportation	72,117	70,815	64,326	85,000	14,185
20204500	Freight/Express/Carriage	2,270	2,687	5,780	1,307	(1,380)
20205100	Liability Insurance	61,624	61,500	71,117	62,000	500
20206100	Membership Dues	20,887	26,688	9,168	28,999	2,311
20207600	Office Supplies	42,371	42,842	45,519	42,966	124
20217100	Rents/Leases-Real Property	19,423	18,990	22,326	29,181	10,191
20219100	Utilities	17,085	18,402	18,598	18,598	196
20219700	Communication Services	11,871	10,302	9,234	10,314	12
20222600	Expendable Tools	65,329	81,065	105,600	130,672	49,607
20223600	Fuels and Lubricants	16,241	15,084	12,735	15,250	166
20226100	Office Equipment	10,077	12,394	16,239	13,036	642
20227500	Rents/Leases - Equipment	20,200	17,937	14,250	20,156	2,219
20227504	Vehicles	33,151	38,455	28,086	35,230	(3,225)
20229100	Other Equipment Maintenance Service	2,411	1,947	5,412	1,740	(207)
20231300	Uniform Allowance	647	1,122	1,594	1,943	821
20244300	Medical Services	1,024	2,126	165	2,149	23
20250500	Accounting/Financial Services	53,721	55,635	34,857	56,000	365
20252100	Temporary Services	2,555	5,150	22,158	5,184	34
20253100	Legal Services	180,967	260,000	175,000	262,860	2,860
20254400	Safety Program Services	1,450	3,602	1,461	3,642	40
20259100	Other Professional Services	2,797,711	4,941,312	4,001,726	4,966,743	25,431
20281100	Data Processing Services	188,509	87,666	100,000	104,805	17,139
20281201	Hardware	56,838	71,200	60,000	102,313	31,113
20281202	Software	66,008	135,610	118,000	111,827	(23,783)
20281203	IT Supplies	16,556	24,000	28,000	28,815	4,815
20281204	Technical Training/Publications	6,625	18,000	15,000	18,197	197
20289900	Other Operating Services	3,800	2,755	781	2,786	31
20292100	GS Printing Services	776	13,311	15,344	10,830	(2,481)
20292200	GS Mail/Postage Services	16,328	13,400	14,572	15,988	2,588
20292300	GS Messenger Services	3,452	3,500	3,694	3,500	-
20292600	GS Stores Charges	-	-	336	-	-
20292900	GS Work Requests	4,720	4,000	3,211	4,720	720
20296200	GS Parking Charges	-	100	-	-	(100)
20298700	GS Telephone Services	(2,160)	-	-	-	-
20298701	GS Telephone Services - Cell Phone	12,045	12,100	15,477	15,266	3,166
20298702	GS Circuit Charges	8,525	6,250	6,012	6,250	-
20298703	GS Land Line Charges	43,244	52,030	30,837	52,030	-
20298900	GS Telephone Installation	622	1,100	627	4,225	3,125
<b>Total Service and Supplies</b>		<b>4,052,283</b>	<b>6,351,086</b>	<b>5,329,775</b>	<b>6,520,859</b>	<b>169,773</b>
43430300	Capital Expenditures	231,343	798,332	798,332	1,747,000	948,668
<b>Total Capital Expenditures</b>		<b>231,343</b>	<b>798,332</b>	<b>798,332</b>	<b>1,747,000</b>	<b>948,668</b>
50597900	Interfund Charges - Other Services	203,043	-	-	-	-
50598000	Transfers (Building)	806,573	806,573	806,573	806,573	-
<b>Total Interfund Charges</b>		<b>1,009,616</b>	<b>806,573</b>	<b>806,573</b>	<b>806,573</b>	<b>-</b>
<b>Total Operating Expenditures</b>		<b>17,406,180</b>	<b>21,352,615</b>	<b>20,015,436</b>	<b>22,972,987</b>	<b>1,620,372</b>

**COVELL BUILDING BUDGET 570B**

Account	Description	FY14/15 Actuals	FY15/16 Amended	FY15/16 Projected	FY16/17 Approved	Variance Amended/ Approved
94941000	Interest Income	7,973	2,000	2,000	2,000	-
96969000	Tenant Rent and Parking	82,019	132,600	105,629	188,752	56,152
59599100	Rent (District Portion)	806,573	806,573	806,573	806,573	-
	Fund Balance	18,772	205,429	160,564	159,719	(45,710)
<b>Total Revenues</b>		<b>915,337</b>	<b>1,146,602</b>	<b>1,074,766</b>	<b>1,157,044</b>	<b>10,442</b>
20211100	Building Operating	405,168	375,000	344,134	352,500	(22,500)
30321000	Interest on COPs	140,169	130,632	130,632	121,544	(9,088)
30323000	Lease Obligation	270,000	275,000	275,000	285,000	10,000
43430300	Capital Expenditures	100,000	365,970	325,000	398,000	32,030
<b>Total Expenditures</b>		<b>915,337</b>	<b>1,146,602</b>	<b>1,074,766</b>	<b>1,157,044</b>	<b>10,442</b>

**EMISSION TECHNOLOGY BUDGET 570C**

Account	Description	FY14/15 Actuals	FY15/16 Amended	FY15/16 Projected	FY16/17 Approved	Variance Amended/ Approved
95956905	Moyer	8,124,881	4,100,000	4,206,500	4,253,125	153,125
94941000	Interest	35,131	-	35,000	35,000	35,000
91919900	DMV \$2 Match	2,250,164	2,244,811	2,268,933	2,294,239	49,428
95956900	GMERP (Prop 1B)	1,438,402	-	-	10,000,000	10,000,000
95958900	EPA - Ag Locomotive	824,683	-	-	-	-
95958900	EPA - DERA	317,145	364,539	346,144	279,634	(84,905)
91915100	Car Share - DMV\$4 Match	-	-	-	50,000	50,000
95956900	GHG - Car Share	-	439,280	439,280	658,920	219,640
<b>New Revenues</b>		<b>12,990,406</b>	<b>7,148,630</b>	<b>7,295,857</b>	<b>17,570,918</b>	<b>10,422,288</b>
95956905	Moyer	668,681	4,883,411	4,370,955	4,480,769	(402,642)
94941000	Interest	-	-	-	-	-
91919900	DMV \$2 Match	-	-	-	705,761	705,761
95956900	GMERP (Prop 1B)	4,413,698	1,180,061	500,000	2,540,000	1,359,939
<b>Fund Balance</b>		<b>5,082,379</b>	<b>6,063,472</b>	<b>4,870,955</b>	<b>7,726,530</b>	<b>1,663,058</b>
<b>Total Revenues</b>		<b>18,072,785</b>	<b>13,212,102</b>	<b>12,166,812</b>	<b>25,297,448</b>	<b>12,085,346</b>
20259100	Other Professional Svc	11,838,997	9,112,102	7,381,078	21,009,323	11,897,221
20259100	Restricted Fund Balance	6,233,788	4,100,000	4,785,734	4,288,125	188,125
<b>Total Expenditures</b>		<b>18,072,785</b>	<b>13,212,102</b>	<b>12,166,812</b>	<b>25,297,448</b>	<b>12,085,346</b>

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

Fund	Fund Balance 6/30/2015	Projected Revenues FY15/16	Projected Expenditures FY15/16	Fund Balance Sources (Uses)	Projected Fund Balance 6/30/2016
<b>Operating Fund 570A</b>	<b>12,158,262</b>	<b>17,483,454</b>	<b>20,015,435</b>	<b>(2,531,981)</b>	<b>9,626,281</b>
Land Use Mitigation	1,580,308	80,000	808,294	(728,294)	852,014
Mobile Source/Air Monitoring	8,231,798	9,672,118	11,699,205	(2,027,087)	6,204,711
Air Toxics	49,819	180,000	205,410	(25,410)	24,409
Stationary Source Permitting	339,695	6,309,028	6,400,488	(91,460)	248,235
Contingency	320,000	-	-	-	320,000
Unassigned	1,636,642	1,242,308	902,038	340,270	1,976,912
<b>Covell Building Fund 570B</b>	<b>1,749,752</b>	<b>914,202</b>	<b>1,074,766</b>	<b>(160,564)</b>	<b>1,589,188</b>
<b>Emission Technology Fund 570C</b>	<b>9,549,952</b>	<b>7,295,857</b>	<b>7,381,078</b>	<b>(85,221)</b>	<b>9,464,731</b>
<b>Total</b>	<b>23,457,966</b>	<b>25,693,513</b>	<b>28,471,279</b>	<b>(2,777,766)</b>	<b>20,680,200</b>

Fund	Projected Fund Balance 6/30/2016	Approved Revenues FY16/17	Approved Expenditures FY16/17	Fund Balance Sources (Uses)	Projected Fund Balance 6/30/2017
<b>Operating Fund 570A</b>	<b>9,626,281</b>	<b>18,730,644</b>	<b>22,972,987</b>	<b>(4,242,343)</b>	<b>5,383,938</b>
Land Use Mitigation	852,014	80,851	1,183,068	(1,102,217)	(250,203)
Mobile Source /Air Monitoring	6,204,711	10,143,242	11,788,700	(1,645,458)	4,559,253
Air Toxics	24,409	174,942	279,079	(104,137)	(79,728)
Stationary Source Permitting	248,235	6,863,077	6,250,000	613,077	861,312
Contingency	320,000	-	-	-	320,000
Unassigned	1,976,912	1,468,532	3,472,140	(2,003,608)	(26,696)
<b>Covell Building Fund 570B</b>	<b>1,589,188</b>	<b>997,325</b>	<b>1,157,044</b>	<b>(159,719)</b>	<b>1,429,469</b>
<b>Emission Technology Fund 570C</b>	<b>9,464,731</b>	<b>17,570,918</b>	<b>21,009,323</b>	<b>(3,438,405)</b>	<b>6,026,326</b>
<b>Total</b>	<b>20,680,200</b>	<b>37,298,887</b>	<b>45,139,354</b>	<b>(7,840,467)</b>	<b>12,839,733</b>



## CAPITAL EXPENDITURES

The District budgets capital expenditures on an annual basis. Currently, there is no multi-year capital project funding mechanism to incorporate in the budget. The District develops five-year capital program projections and expects to have a longer-term asset management plan in the upcoming fiscal year. The District is procuring an Enterprise Resource Planning solution which will support the multi-year budgeting and long-term capital program functionality desired by the District.

### FY16/17 Capital Budget

Program	Description	Amount
Air Monitoring – PAMS	Folsom Trailer	125,000
Air Monitoring – SLAMS	North Highlands Trailer/Electrical	150,000
Air Monitoring	Consultant to facilitate Air Monitoring Project	50,000
Air Monitoring – SLAMS	PM <sub>2.5</sub> Sampler	50,000
Air Monitoring – SLAMS	Digital Data Logger x 2	36,000
Air Monitoring – SLAMS	Mass Flow Controller	5,000
Air Monitoring – PAMS	Transfer Standard	6,000
Air Monitoring – SLAMS	PM 2.5 Speciation Monitor	14,000
Air Monitoring – SLAMS	PM 2.5 (filter based sampler) x 2	80,000
Air Monitoring - SLAMS	Digital Strip Chart Recorder	6,000
Technology Services	Systems Integration- Consulting	350,000
Technology Services	Systems Integration Software	770,000
Fleet	Vehicle x 3	105,000
<b>Total - Operating Fund</b>		<b>1,747,000</b>
Building Improvements (1)		398,000
<b>Total - Covell Building Fund</b>		<b>398,000</b>
<b>Total Capital Expenditures</b>		<b>2,145,000</b>

(1) Building improvements include window replacements, ADA updates, charging stations, garage upgrades, building entry doors, structural office reconfiguration, and break room upgrades

### Recurring and Nonrecurring Capital Expenditures

The District has several capital projects underway. There is an initiative to implement a new Enterprise Financial Planning software and a new application to manage our major lines of business. In addition, the District has several aging air monitoring stations in need of replacement. There are also several pieces of air monitoring equipment which require replacement on an ongoing basis. The District headquarters building is undergoing a “refresh” with new flooring, painting and minor repairs. Finally, the District is focusing on extending the life of its fleet and incorporating new low-emission vehicles into the fleet as replacement are required.

Capital expenditures for FY16/17 are \$2.1 million, comprised of \$1.7 million in the Operating fund and \$398,000 in the Covell Building fund.

Recurring capital expenditures:

- Air monitoring instrument replacements
- Fleet replacements

Nonrecurring capital expenditures:

- Two air monitoring trailers replacements
- Implementation of major software applications (Systems Integration)
- Building improvements



**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. However, the District does not have a formal debt issuance policy with criteria such as debt limits and level of authority required to incur new debt. There is no debt in the Operating or Emission Technology Funds. The District's only long-term debt is for the purchase of its headquarters building and is included in the Covell Building Fund.

The District issued Certificates of Participation (COPs) in February 2002 in the amount of \$5,835,000. On March 8, 2012, the District refinanced the original COPs with CSDA 2012 Certificates of Participation. The debt is supported by rent paid by the District (as tenants) transferred from the Operating Fund as well as other tenants of the Covell Building. The rent transfers from the Operating Fund are an operating expense that is projected to be stable over the life of the debt. However, if other tenants vacate, rent transfers from the District Operating Fund may increase to cover the debt payments and ensure solvency of the Covell Building Fund. The details of that debt obligation are covered below. The District has no legally mandated debt limit, but does not anticipate incurring any additional long-term debt at this time.

The principal balance outstanding on June 30, 2016 will be \$ 3,705,000. In FY16/17, a \$285,000 principal payment will be made. The principal and interest payments are included in the Covell Building Fund budget. The certificates mature as shown in the following table:

**Debt Repayment Schedule**

Year Ending June 30	Principal	Interest	Total
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>\$3,705,000</b>	<b>\$782,747</b>	<b>\$4,487,747</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. 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 that comes from unallocated sponsorship funding.

Staff anticipates funding sponsorships totaling \$193,950 during FY16/17 as noted below. These sponsorships will be approved as part of the budget process, subject to any changes requested by the Board. The funds will be expended at the appropriate time of the year upon receipt of a valid invoice from the sponsored organization. Detailed descriptions of the sponsorships can be found in the Appendices. (See Appendix B – Description of Sponsorships)

FY16/17 Sponsorships	Amount
ACT Awards – Association of Commuter Transportation	500
Alliance of Regional Collaboratives for Climate Adaption ARCCA	15,000
American Lung Walk Event – 2017 Fight for Air Walk	1,000
CAPCOA Greenhouse Gas Registry/Exchange (CAPCOA)	10,000
Capital Public News Environment – News Initiative	6,500
Capital Region Climate Readiness Collaborative	20,000
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)	1,200
Green Capitol Alliance	10,000
Home Energy Conservation (HEC)	5,000
LGC- California Adaptation Forum	10,000
LGC - Capitol Region Local Policy Makers Program	10,000
LGC- Elected Official Conference	10,000
LGC - New Partners for Smart Growth Conference	10,000
May Is Bike Month Event	5,000
Power House Science Center	10,000
Power House Science Center – Annual Scientist Event	500
Region Rising	10,000
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
Toast to Clearing the Air Event	1,750
Valet Bike Parking Program	5,000
West Coast Diesel Collaborative	5,000
Unallocated	35,000
<b>TOTAL</b>	<b>\$193,950</b>

## SECTION 6

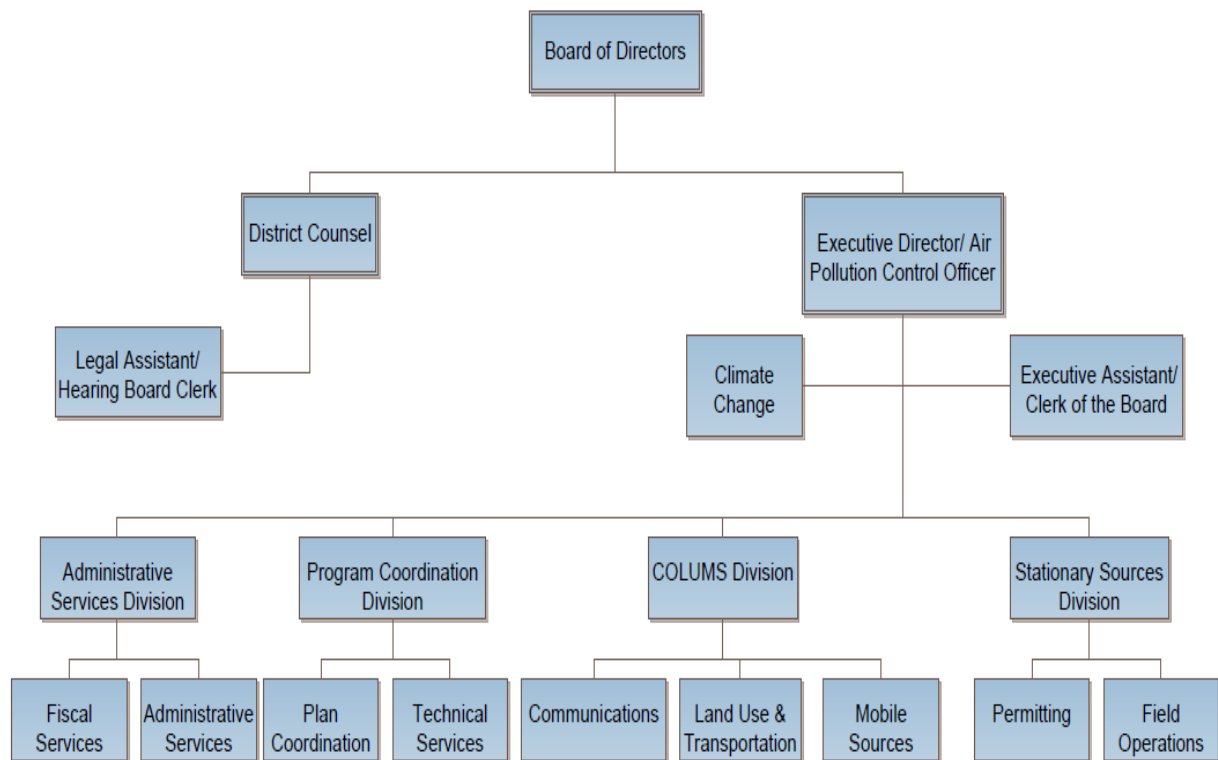
# Organizational Overview

The District is organized into divisions which administer various programs and undertake initiatives to support the District's mission and strategic goals. This section includes the District's organizational structure, a fund/division matrix, division budgets, staffing, division functions & key initiatives, and District accomplishments.

### ORGANIZATIONAL STRUCTURE

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's organizational structure, shown below, is comprised of the Offices of the Executive Director and District Counsel and four operating divisions: Administrative Services; Program Coordination; Communications, Land Use & Mobile Sources (COLUMNS); and Stationary Sources.

**Organization Chart**



### FUND/DIVISION MATRIX

All District positions and expenditures related to Division operations are funded out of the Operating Fund. The Covell Building Fund accounts for expenditures related to the District's headquarter facility and the Emission Technology Fund tracks and is a pass-through mechanism for vehicle incentive funds.

## Fund/Division Matrix

Division	Fund		
	Operating (570A)	Covell Building (570B)	Emission Technology (570C)
Executive Director/District Counsel	X		
Administrative Services	X		
COLUMNS	X		
Program Coordination	X		
Stationary Sources	X		

## DIVISION BUDGETS

All division salary & benefits, services and supplies, and capital expenditures are funded by the Operating Fund. Expenditures by division are presented below.

## Operating Fund Expenditures by Division

Description	FY14/15 Actual	FY15/16 Amended	FY15/16 Projected	FY16/17 Approved
<b>Operating Fund (570A)</b>				
Salaries & Benefits	12,112,938	13,396,624	13,080,756	13,898,555
Services & Supplies	4,052,283	6,351,086	5,329,775	6,520,859
Capital Expenditures	231,343	798,332	798,332	1,747,000
Interfund Charges	1,009,616	806,573	806,573	806,573
<b>Total Expenditures</b>	<b>17,406,180</b>	<b>21,352,615</b>	<b>20,015,436</b>	<b>22,972,987</b>
<b>Administration</b>				
Salaries & Benefits	2,475,796	2,824,949	2,565,859	2,963,053
Services & Supplies	1,539,359	525,190	909,584	722,292
Capital Expenditures	51,941	84,988	319,832	201,177
Interfund Charges	1,009,616	132,460	806,573	132,460
<b>Total Expenditures</b>	<b>5,076,712</b>	<b>3,567,587</b>	<b>4,601,848</b>	<b>4,018,982</b>
<b>COLUMNS</b>				
Salaries & Benefits	3,529,650	3,704,079	3,704,079	3,871,494
Services & Supplies	1,748,504	3,304,745	3,299,341	3,352,195
Capital Expenditures	24,772	107,874	-	394,665
Interfund Charges	-	259,859	-	259,858
<b>Total Expenditures</b>	<b>5,302,926</b>	<b>7,376,557</b>	<b>7,003,420</b>	<b>7,878,212</b>
<b>Program Coordination</b>				
Salaries & Benefits	2,319,122	2,647,058	2,590,280	2,745,231
Services & Supplies	453,013	1,718,238	1,028,646	1,699,163
Capital Expenditures	123,596	468,996	478,500	761,618
Interfund Charges	-	157,771	-	157,771
<b>Total Expenditures</b>	<b>2,895,731</b>	<b>4,992,063</b>	<b>4,097,426</b>	<b>5,363,783</b>
<b>Stationary Sources</b>				
Salaries & Benefits	3,788,370	4,220,538	4,220,538	4,318,777
Services & Supplies	311,407	802,913	92,204	747,209
Capital Expenditures	31,034	136,474	-	389,540
Interfund Charges	-	256,483	-	256,483
<b>Total Expenditures</b>	<b>4,130,811</b>	<b>5,416,408</b>	<b>4,312,742</b>	<b>5,712,009</b>

**STAFFING**

The District has 102 total positions, of which 96 are funded and 6 are unfunded. No changes were proposed for FY16/17.

**Positions by Classification**

Classification	FY14/15 Approved	FY15/16 Amended	Changes	FY16/17 Approved
Administrative Assistant I/II	2.00	2.00		2.00
Air Pollution Control Officer	1.00	1.00		1.00
Air Quality Engineer	19.50	20.50		20.50
Air Quality Instrument Specialist I/II	3.00	3.00		3.00
Air Quality Planner / Analyst	10.00	11.00		11.00
Air Quality Specialist	18.60	18.60		18.60
Clerical Services Supervisor	1.00	1.00		1.00
Communications & Marketing Specialist	1.90	1.90		1.90
Controller	1.00	1.00		1.00
District Counsel	1.00	1.00		1.00
Division Manager	4.00	4.00		4.00
Executive Assistant / Clerk of the Board	1.00	1.00		1.00
Financial Analyst	1.00	1.00		1.00
Fiscal Assistant I/II	1.00	1.00		1.00
Human Resources Assistant I/II	2.00	2.00		2.00
Human Resources Officer	1.00	1.00		1.00
Information Systems Analyst	2.00	2.00		2.00
Information Systems Administrator	1.00	1.00		0.00
Information Systems Manager	0.00	0.00		1.00
Legal Assistant I/II	1.00	1.00		1.00
Office Assistant I/II	2.00	2.00		2.00
Program Coordinator	12.00	12.00		12.00
Program Supervisor	5.00	5.00		5.00
Senior Accountant	1.00	1.00		1.00
Statistician	1.00	1.00		1.00
<b>TOTAL FUNDED</b>	<b>94.00</b>	<b>96.00</b>	<b>0.00</b>	<b>96.00</b>
Administrative / Legal Analyst	1.00	1.00		1.00
Air Quality Engineer	2.00	1.00		1.00
Air Quality Planner/Analyst	1.00	0.00		0.00
Air Quality Specialist	2.00	2.00		2.00
Office Assistant I/II	1.00	1.00		1.00
Program Coordinator	1.00	1.00		1.00
<b>TOTAL UNFUNDED</b>	<b>8.00</b>	<b>6.00</b>	<b>0.00</b>	<b>6.00</b>
<b>TOTAL FUNDED &amp; UNFUNDED</b>	<b>102.00</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	Administrative Services	COLUMNS	Program Coordination	Stationary Sources	Total
Administrative Assistant I/II	2				2
Air Pollution Control Officer	1				1
Air Quality Engineer		6	5.5	9	20.5
Air Quality Instrument Specialist I/II			3		3
Air Quality Planner / Analyst	1	8	2		11
Air Quality Specialist		4	2	12.6	18.6
Clerical Services Supervisor	1				1
Communications & Marketing Specialist		1.9			1.9
Controller	1				1
District Counsel	1				1
Division Manager	1	1	1	1	4
Executive Assistant / Clerk of the Board	1				1
Financial Analyst	1				1
Fiscal Assistant I/II	1				1
Human Resources Assistant II	2				2
Human Resources Officer	1				1
Information Systems Analyst	2				2
Information Systems Manager	1				1
Legal Assistant II	1				1
Office Assistant II	2				2
Program Coordinator		4	3	5	12
Program Supervisor	1	1	1	2	5
Senior Accountant	1				1
Statistician			1		1
<b>TOTAL FUNDED</b>	<b>22</b>	<b>25.9</b>	<b>18.5</b>	<b>29.6</b>	<b>96</b>
Administrative / Legal Analyst	1				1
Air Quality Engineer			1		1
Air Quality Specialist				2	2
Office Assistant	1				1
Program Coordinator	1				1
<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	5,275	6,412
Administrative Assistant II	5,713	6,944
Air Pollution Control Officer (contract by the Board of Directors)	-	16,930
Administrative / Legal Analyst	6,735	8,187
Air Quality Engineer (Assistant)	6,065	7,372
Air Quality Engineer (Associate)	7,044	8,563
Air Quality Instrument Specialist I	5,018	6,099
Air Quality Instrument Specialist II	5,628	6,841
Air Quality Planner / Analyst (Assistant)	6,065	7,372
Air Quality Planner / Analyst (Associate)	7,044	8,563
Air Quality Specialist (Assistant)	6,065	7,372
Air Quality Specialist (Associate)	7,044	8,563
Clerical Services Supervisor	3,834	4,659
Communications & Marketing Specialist (Assistant)	6,065	7,372
Communications & Marketing Specialist (Associate)	7,044	8,563
Controller	7,657	10,260
District Counsel (contract by the Board of Directors)	-	16,930
Division Manager	9,722	13,028
Executive Assistant/Clerk of the Board	5,018	6,099
Financial Analyst	5,770	7,014
Fiscal Assistant I	3,220	3,913
Fiscal Assistant II	3,539	4,302
Human Resources Assistant I	3,720	4,522
Human Resources Assistant II	4,151	5,047
Human Resources Officer	7,044	8,563
Information Systems Analyst (Assistant)	4,919	5,979
Information Systems Analyst (Associate)	5,799	7,049
Information Systems Manager	8,458	11,334
Legal Assistant I	4,090	4,971
Legal Assistant II	4,703	5,717
Office Assistant I	2,842	3,454
Office Assistant II	3,188	3,874
Program Coordinator	7,358	9,860
Program Supervisor	8,458	11,334
Senior Accountant	5,770	7,014
Statistician	7,044	8,563

*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, Certified Public Accountant, 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).

## DIVISION FUNCTIONS AND KEY INITIATIVES

The District's organizational structure aligns with its vision and mission and supports the complex relationship between tasks, workflows, responsibilities and authorities. Divisions develop key initiatives each year to support the District's mission and strategic goals. Below are descriptions of the Division's main programs followed by their key initiatives.

### OFFICE OF THE EXECUTIVE DIRECTOR AND DISTRICT COUNSEL

#### Program Summary

PROGRAM	DESCRIPTION
<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.
<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 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 expenditures, 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.

**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 objective of enhancing the District's information management: 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 employees 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***

Develop additional budgetary and financial reporting policies and enhance internal controls by developing additional reconciliations and analytics. To support these changes, cross-train staff in functional areas and train staff in budgetary and financial reporting.

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

**Program Summary**

PROGRAM	DESCRIPTION
Communications Office	Engages and informs residents and organizations about Sacramento's air quality problem and educates them on how their actions can help improve air quality and protect public health. This is achieved through comprehensive public education programs, marketing and community outreach, advisory notices and informational material. The Office manages both routine and emergency media relations and social media for the District.
	Manages and directs "Spare The Air", a voluntary program that asks residents to reduce emissions by reducing driving. The Office conducts annual survey research to document emission reductions achieved through the program. The Office also manages communications for the mandatory Check Before You Burn program. In addition, the Office manages other key communications coordination with Federal, State and local agencies, special projects such as personal monitors. Home Energy Conservation (weatherization), clean fuels, Farm to Fork to Fuel and other ad hoc and ongoing programs.
Land Use and Transportation	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.
Climate Change	Works on climate change mitigation and adaptation through regional coordination, tracking state policy, supporting local action and building a regional collaborative to respond to the impacts and opportunities of climate change.

**COLUMNS Key Initiatives*****Communications***

- Increase Spare The Air and Check Before You Burn App downloads
- Increase Spare The Air Partners

***Land Use and Transportation***

- Support and expand the Home Energy Conservation Program.
- Seek additional funding sources to support the Sacramento Clean Cities' Program, the California Air Resources Board's (CARB) Cap & Trade funding, and EPA's Diesel Emissions Reduction Program.
- Work with the CivicSpark program to reduce air pollution and vehicle miles traveled while building local capacity for action on climate adaptation and mitigation

***Mobile Sources***

- Work with CAPCOA and ARB on the Moyer Guideline changes. Legislation provided additional flexibility that will be added to the program.
- Successfully transition all SECAT administration to the District (currently split between SACOG and the District) and prepare for Buy America Provisions

## 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 11 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***

- Develop and submit to the EPA the 2008 National Ambient Air Quality Standards (NAAQS) Attainment Plan in February 2017
- Update and submit to the EPA the PM 2.5 2006 National Ambient Air Quality Standards (NAAQS) Maintenance Plan by June 2017
- Develop and submit to the EPA the 1997 National Ambient Air Quality Standards (NAAQS) Redesignation substitution by October 2016
- Prepare emission inventory for point sources and 15 area source categories

***Rules Development***

- Present for Board consideration new rules or rule amendments affecting combustion sources, residential and commercial adhesives, plastic parts coatings, LPG transfer and dispersing, natural gas production, and composting
- Develop stationary source emission control measures for the 2008 NAAQS attainment plan by August 2016.

***Air Monitoring***

- Provide timely and accurate air quality information to the public
- Develop a plan to address recommendations from the 2015 monitoring network assessment by July 2016
- Replace two air monitoring stations
- Conduct Community Toxics Study Monitoring during winter season FY16/17

***Wood Smoke initiatives***

- Replace 430 dirty fireplaces and wood stoves in FY16-17; Work to secure additional funding for from the state's Cap and Trade program revenues, and banking and selling emissions reduction credits from the Wood Smoke Change-Out Program

## 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, portable equipment, and asbestos demolition and renovation projects for compliance with District, state, and federal rules and regulations, responds to resident complaints, performs various compliance duties to enforce Rule 421, 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***

- Attempt to resolve the majority of air quality violations through the Mutual Settlement Program to avoid the time and expense of litigation
- Assist in procurement and implementation of line-of-business solution to improve efficiency through the development of an automated inspection prioritization program, work assignment and tracking programs, quality assurance measures, and integrated inter-agency data acquisition and submittal capability
- Work with fire agencies to develop protocol for approving training burns that protect air quality and communities from excess smoke, while recognizing the training needs of fire agency personnel
- Implement performance metrics and recognition programs

***Permitting and Toxics Program Resource***

- Develop and implement a risk management program that will allow the implementation of OEHHA’s revised HRA guidelines in a manner consistent with SMAQMD’s goals for the permitting program, Air Toxics “Hot Spots” program, and CEQA

## DISTRICT ACCOMPLISHMENTS

In FY15/16, the District achieved numerous accomplishments. The following is a partial list:

- Collaborated with the California Air Resources Board (CARB), and Placer, Yolo-Solano, and El Dorado County air districts to update and submit to the EPA the attainment plan for the 2008 ozone NAAQS;
- Executive Director served in leadership positions in both the California Air Pollution Control Officers Association and the National Association of Clean Air Agencies (NACAA);
- In his capacity as the co-chair of the NACAA Global Warming Committee, the Executive Director attended the UN Council of Parties meeting in Paris in December 2015, representing the states and local agencies which make up the NACAA membership and providing them with a firsthand view of this historic event;
- Successfully completed the Luther Burbank High School Personal Monitor Pilot program. Began identifying and surveying communities and engaging community partners and stakeholders for the Toxics Monitoring grant;
- Amended and received Board approval for Rule 442 for architectural coatings to achieve further emission reductions, and Rule 902 for asbestos demolition and renovation to improve compliance and further protect public health;
- Coordinated leadership training for over 60 employees, and business writing courses for employees Districtwide;
- Completed recruitments for 10 vacant positions;
- Facilitated 9 Request for Proposal Releases (RFP) leading to new contracts, processed 914+ purchase requests, and facilitated execution of 55 contracts and MOU's;
- Processed over 275 Public Records Act requests;
- Generated invoices for 584 permit renewals;
- Completed 738 woodstove/fireplace changeouts;
- FY14/15 Mobile Source Program emission reductions in tons per day:

NO <sub>x</sub>	PM <sub>10</sub>	ROG
0.33	0.02	0.04

- Conducted 1,190 mobile source compliance inspections;
- Distributed *Spare the Air* alerts to nearly 16,000 subscribers and 614 youth coaches to help protect their athletes;
- Made over 1,300 social media posts in the first six months of FY15/16;
- Produced numerous health expert testimonial videos used in movie theatres and social media posts;
- Completed 2015 Season *Spare the Air* survey which indicated reductions of 0.86 tons of ozone precursors per summer day for seasonal reducers and 0.28 tons of ozone precursors per *Spare the Air* day for purposeful reducers;
- Responded to over 500 email inquiries from the public through the *Spare the Air* website in the first six months of FY15/16;
- In calendar year 2015, staff reviewed approximately 166 project submittals and provided 103 responses, which included the confirmation of 8 air quality mitigation plans and 30 construction mitigation plans;
- Reviewed and updated the District's Guide to Air Quality Assessment, and initiated the process to comprehensively update and improve the District's Roadway Protocol;

- Reviewed and updated the District's Guide to Land Use Emissions Reductions with the most current information;
- Collaborated with SMUD to evaluate nitrogen oxide emissions reduced from energy efficiency programs;
- Published quarterly newsletter providing information and links to the most current guidance, strategies, and educational opportunities;
- Continued to work with the Sacramento Clean Cities Coalition to promote organic waste recycling in Sacramento;
- Applied and was approved for Cap and Trade funding for a pilot Car Share program and an EPA Diesel Emissions Reduction Program grant for agricultural equipment and truck replacement;
- Hosted a 3-day NOAA climate adaptation training for 35 people from the Sacramento Region, (including elected officials, planners, and staff from other local government agencies, state agencies, non-profits, and community groups) which provided participants with a climate adaptation toolkit to proactively address adaptation-planning activities in the context of local government priorities;
- Supported the inaugural year of the CivicSpark program in the region, funding projects as well as providing office space, support, and other resources – completed projects helped to reduce VMT, improve air quality, engage the public, and more;
- Prepared and submitted comments on a range of state agency guidance documents and legislation on climate change including the draft General Plan Guidelines (2015), Safeguarding California: Implementation Action Plans (2015), Draft Cap-and-Trade Auction Proceeds Second Investment Plan (2015), and SB 246 (2015);
- Expanded presence of the Capital Region Climate Readiness Collaborative, bringing in eight new members, including PG&E, Sac Metro Chamber, SACOG, and more, and initiated a series of focus meetings that will help create communications and outreach materials for elected officials and other leaders in the region;
- Conducted 3,346 annual permit inspections in the federal fiscal year (FFY) ending 9/30/15, and completed 100% of all major source inspections and just under 75% of minor source inspections under the annual permit inspection program due to staffing shortages;
- For FFY ending 9/30/15, handled a total of 537 resident complaints concerning air quality issues, 193 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 41 NOA-related inspections were conducted for the FFY ending 9/30/15;
- Handled 276 smoke-related complaints, issued 146 official notices for burning on no burn days, and six notices of violation for second-time offenders for the FFY ending 9/30/15;
- A total of 196 individual cases were successfully resolved under the Mutual Settlement Program for the period ending 9/30/15;
- 174 permit applications were received, and 63 Authorities to Construct and 29 Change of Ownership permits were issued in the first half of FY15/16 with all but 6 permits issued within 180 days (all 6 permits were delayed for reasons beyond the District's control);
- In the first half of FY15/16, 33 Permits to Operate have been issued and all Permits to Operate were issued within two years of obtaining an Authority to Construct;
- Refined performance metrics through tracking, errors, inspection report and case turn-in timeframes and additional analysis;
- Developed a process for implementing CEQA for the permitting and toxics program; and
- Prepared stationary source control measures for the District's Triennial Plan Update.

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# SECTION 7

## Statistical Information

### 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 – June 2015.

Emission Reduction Credit (ERC)					
ERC Applications	1				
Transfer Applications	2				
Inter-district credit transfer	1				
SEED Loans	4				
Alternate Compliance Applications	1				
Loan Renewals	46				
Emission Inventory					
Emission Statements & 185 Fee Sources Updated	16				
Facility Surveys	84				
Permit Emission Evaluations	702				
Area Source Category Updates	7				
Wood Stove/Fireplace Assistance Program					
	Low Income	Non-Low Income			
Approved Vouchers (projected)	40 (490 cumulative)	298 (6,530 cumulative)			
Devices Changed Out (projected)	29 (336 cumulative)	198 (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	
<b>Grand Total<sup>1</sup></b>	<b>6,718</b>	<b>9.28</b>	<b>0.88</b>	<b>1.4</b>	
<sup>1</sup> The totals reflect the time period from Program inception through 12/31/2015 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	35	6	7

## FINANCIAL STATISTICS

## Balances of Governmental Funds (modified accrual)

	05/06	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15
General Fund										
Restricted	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	10,442,384
Assigned	320,000	320,000	320,000	320,000	2,407,273	320,000	320,000	320,000	320,000	320,000
Unrestricted	5,144,677	8,295,221	5,751,365	8,666,336	7,906,636	0,	-	-	792,734	1,395,878
Total General Fund	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	12,158,262
Emission Technology Fund										
Restricted	-	-	-	-	9,064,562	9,211,835	9,267,343	8,194,251	8,277,548	9,549,952
Total Emission Technology fund	-	-	-	-	9,064,562	9,211,835	9,267,343	8,194,251	8,277,548	9,549,952

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

	05/06	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15
REVENUES										
Taxes	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	8,533,576
Intergovernmental	4,896,514	15,009,697	8,114,710	13,564,665	18,888,873	11,945,983	34,081,710	25,879,092	10,507,331	14,342,930
Licenses/Permits	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	7,416,470
Use of Money/Property	524,224	991,786	1,086,702	515,419	268,262	230,368	204,424	193,112	18,965	60,372
Total Revenue	19,329,672	31,060,622	24,676,668	31,922,580	33,888,126	26,107,072	48,537,512	40,016,575	25,603,010	30,353,348
EXPENDITURES										
Stationary Sources	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	6,016,226
Mobile Source	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	14,932,141
Program Coordination	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	3,943,621
Strategic Planning	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	3,918,802
Capital Outlay	84,638	126,554	226,666	119,082	18,498	20,789	305,418	290,995	259,652	239,283
Total Expenditures	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	29,050,073
Excess (Deficiency) of Revenue over Expenditures	2,178,623	6,981,536	895,881	2,730,003	6,291,006	222,621	81,010	-1,892,573	524,246	1,303,275
OTHER FINANCING SOURCES (USES)										
Transfer Out	341,683	391,746	360,091	456,966	2,830,351	783,157	-	-	-	
Gain on sale of capital assets										16,270
Net change in fund balances	1,836,940	6,589,790	535,790	2,273,037	3,460,655	-560,536	81,010	-1,892,573	524,246	1,319,545

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Governmental Activities</b>										
Investment in capital assets, net of related debt	522,329	535,979	624,503	594,518	447,263	327,593	507,625	653,680	764,943	792,677
Restricted	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	14,705,749
Unrestricted	4,627,737	3,422,783	3,150,700	1,142,535	946,120	0	-	-	792,734	-900,807
<b>Total governmental activities net assets</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>14,597,619</b>
<b>Business-type Activities</b>										
Investment in capital assets, net of related debt	230,782	313,325	335,681	85,216	142,689	438,929	403,041	113,259	93,109	232,801
Restricted	-	-	-	431,776	427,031	433,754	424,243	416,252	416,293	418,340
Unrestricted	107,212	287,763	323,454	802,936	990,954	762,937	909,129	1,094,081	1,274,390	1,331,412
<b>Total business-type activities net assets</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>	<b>1,982,553</b>
Investment in capital assets, net of related debt	753,111	849,304	960,184	679,734	589,952	766,522	910,666	766,939	858,052	1,025,478
Restricted	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	15,124,089
Unrestricted	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	430,605
<b>Total primary government net assets</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>	<b>16,580,172</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
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	0	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
15/16	13,396,624	6,351,086	798,332	806,573		21,352,615

<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.

### Schedule of General Government Revenues by Source

Fiscal Year	Taxes	Intergovernmental	Licenses/ Permits	Use of Money & Property	Total
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
14/15	6,283,412	3,516,824	7,416,470	25,241	17,241,947

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

### Permit Revenue

Year	Active Permits	Revenue
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
2015	4,351	\$4,984,882

## Full-Time Equivalent Employees as of June 30

	Full-Time Equivalent Employees as of June 30									
FUNCTION:	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15	15/16
Accountant I/II	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	-	-	-	-	-	-
Air Quality Engineer	21.5	21.5	21.5	21.5	21.5	20.5	19.5	19.5	19.5	20.5
Air Quality Instrument Specialist I/II	3	3	3	3	3	3	3	3	3	3
Air Quality Planner/Analyst	10.5	10.5	11	12	11	10	10	10	10	11
Air Quality Specialist	19	22.5	21.5	20.6	18.6	18.6	18.6	18.6	18.6	18.6
Clerical Services Supervisor	1	1	1	1	1	1	1	1	1	1
Comm & Marketing Specialist	1.85	2.85	2.85	2.85	1.85	1.85	1.85	1.90	1.90	1.90
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	4	4	4	4	3	3	3	4	4
Executive Assistant/Clerk to the Board	1	1	1	1	1	1	1	1	1	1
Executive Director/APCO	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 Resource Assistant I/II	2	2	2	2	2	2	2	2	2	2
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	-
Information Systems Analyst	1	2	2	2	2	2	2	2	2	2
Information Systems Manager	-	-	-	-	-	-	-	-	-	1
Office Assistant I/II	3	3	3	3	3	2	2	2	2	2
Program Coordinator	13	13	13	13	13	12	12	12	12	12
Program Supervisor	4	5	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
Total Funded Positions	97.85	104.35	103.85	103.95	98.95	93.95	92.95	93.00	94.00	96.00
<u>Positions Unfunded</u>										
Administrative/Legal Analyst	-	-	-	-	1	1	1	1	1	1
Air Quality Engineer (LT)	1	-	-	-	-	-	-	-	-	-
Air Quality Planner/Analyst	-	-	-	-	-	1	1	1	1	0
Air Quality Specialist	-	-	-	1	2	2	2	2	2	2
Air Quality Specialist (LT)	1	-	-	-	-	-	-	-	-	-
Air Quality Engineer	-	-	-	-	-	1	2	2	2	1
Division Manager	-	-	-	-	-	1	1	1	-	-
Office Assistant I/II	-	-	-	-	-	1	1	1	1	1
Program Coordinator	-	-	-	-	-	1	1	1	1	1
Total Positions Unfunded	2	-	-	1	3	8	9	9	8	6
Total Funded + Unfunded	99.85	104.35	103.85	104.95	101.95	101.95	101.95	102.00	102.00	102.00

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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# Appendices

## APPENDIX A

### 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<sup>1</sup>** — 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<sup>1</sup>** — 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 community toxics grant.

**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 expenditures 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 expenditures:

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 expenditures 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 expenditures 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.*

## **APPENDIX B**

### **DESCRIPTION OF SPONSORSHIPS**

#### **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 advances a regional approach to building resilience to climate impacts in key issues (fire, water, flood, agriculture) across the state by sharing information and best practices, developing stronger, more effective partnerships, and fostering dialogue across the urban-rural divide. 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. This effort is also key to advancing the urban/rural interface dialogue in the region so important for supporting healthy forest resources to counter water, flood and fire impacts on our communities. This funding is our share of the cost of this effort.

#### **AMERICAN LUNG WALK EVENT**

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

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

The CAPCOA Greenhouse Gas Registry/Exchange, known as the CAPCOA GHG R/X, is a mechanism to validate 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 costs to administer the Exchange. As credits come available they will support projects in the Sacramento region.

#### **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 designed to promote greater coordination and cooperation at the local and regional level to adapt to current and future impacts of climate change. Through this collaborative, leadership from regional and local government, the business community, academia, labor, and environmental and community groups can work together to inform state and federal policymakers about the latest research and resources available to assist communities in the Sacramento region.

The CRC's 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.

**GREEN CAPITOL ALLIANCE (VALLEY VISION)**

The Green Capitol Alliance is a coordinated effort between business, agencies, local governments, education institutions, and non-profits to coordinate a range of overlapping programs that will advance green business, a sustainable community and a workforce to support this work. This funding is the District share to support the effort.

**HOME ENERGY CONSERVATION (HEC)**

Rebuilding Together Sacramento is the Sacramento region chapter of a national nonprofit organization that uses volunteers with professional supervision to help low-income, frequently elderly, frail or partially disabled residential homeowners perform basic maintenance on their homes. The Sacramento Air District has partnered with Rebuilding Together Sacramento, the Sacramento Association of Realtors® and the Environmental and Civil Engineering Department at UC Davis to form the Home Energy Conservation (HEC) program. Using the same workforce and serving the same clientele, HEC performs Tier 1 energy upgrades such as weather stripping, LED-for-incandescent light bulb swaps, insulating water heaters and exposed hot water lines, and other simple, low-cost upgrades. The total cost, including program administration, is under \$200 per home with estimated CO2 reductions of approximately one ton per year per home and utility savings of approximately \$360 per year per home.

**LOCAL GOVERNMENT COMMISSION (LGC)****CALIFORNIA ADAPTATION FORUM**

In 2014 the inaugural California Adaptation Forum in Sacramento brought together over 800 people to discuss state and local responses to common challenges such as drought, wildfires, flooding, energy security, and sea level rise. The 2016 edition will draw academics, policy experts, community leaders, planners, and more to learn, share, and build new partnerships to build resilience in California from the ground up. In addition, the conference will allow Sacramento local and regional agencies, county and city staff to influence state policy direction in these areas.

**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 lines of communication of new initiatives and innovative concepts.

**ELECTED OFFICIAL CONFERENCE**

This is an annual conference that focuses on providing elected officials access to current and innovative thinkers on important sustainability issues relevant to cities and counties across California. The District generally sponsors the attendance of a couple of Board members each year, increasing their knowledge and awareness of critical topics as well as providing the District the ability to provide input on the agendas. Examples of sustainability topics covered include: reducing fire danger and the resultant air quality issues; providing water resources in a constrained environment; sustainable forest management; strategies for providing low income housing; responding to homelessness; and innovative software tools for managing resources and informing the public.

**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 many conferences each year, including a Yosemite Ahwahnee Principles Conference and a national planner's conference, which are often attended by District Board members. This sponsorship supports LGC efforts to assist public officials to implement strategies that result in more livable communities.

**MAY IS BIKE MONTH – SACOG**

This sponsorship supports efforts to get people out of their cars and onto a bicycle for commute, shopping and recreation trips. May 2017 will be the 12th 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.

## **REGION RISING**

The first Region Rising Conference was held in 2015 and celebrated the 10<sup>th</sup> anniversary of the Regional Blue Print. This will likely be an annual event and these funds are a placeholder for the District contribution to the 2016 conference.

## **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.

## **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.

## **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.

## **WEST COAST DIESEL COLLABORATIVE**

The West Coast Diesel Collaborative is an effort that advances clean fuels, vehicles and lower emission diesel engines in the west coast states. This effort has been very beneficial to the SMAQMD, and has supported a number of grant programs we have received from the federal government, as well as linking with our work with the regional Clean Cities coalition. This funding will support our share for a sponsorship at the annual event.

## APPENDIX C

### GLOSSARY

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

**Accrual Basis** – Revenue and expenditures 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 expenditures. 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 expenditures 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**

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**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

