

Agenda Date: January 20, 2011  
Agenda Placement: Admin  
Estimated Time: NA  
Continued Item: No

## Board Agenda Item

TO: Air Pollution Control District Board

FROM: Terry Dressler, Air Pollution Control Officer

CONTACT: Ron Tan (961-8812)  
Donald Kendig (961-8854)

SUBJECT: Amend the FY 2010-2011 District Budget to Accommodate Increased Project Demand Under the Carl Moyer Program and Old Car Buyback Program

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### RECOMMENDATION:

Adopt the resolution included as Attachment 1. This resolution is a budget amendment and requires 11 members of your Board (4/5 majority) for authorization. It contains the following action items:

1. Approve an Amendment to the FY 2010-2011 District budget by authorizing a \$230,000 transfer of designations into the operating budget and a \$230,000 increase in expenditures to allow for the implementation of the District's Offroad Equipment Replacement Program.
2. Approve an Amendment to the FY 2010-2011 District budget by authorizing a \$400,000 transfer of designations into the operating budget and a \$400,000 increase in expenditures to allow for the continued implementation of the District's Old Car Buy Back Program.

### SUMMARY:

The Santa Barbara County Air Pollution Control District's ("District") grant programs have resulted in substantial emission reductions from clean air projects and have been extremely popular with the community, particularly the Carl Moyer Memorial Air Quality Program ("Moyer Program") and the Old Car Buy Back Program. In October 2010 your Board approved an Offroad Equipment Replacement Program as a new grant program under the Moyer Program.

Additional funding is necessary to continue Moyer projects currently underway and commence the Offroad Equipment Replacement Program. Consequently staff is proposing to transfer \$200,000 of designations to the operating budget. Staff is also requesting \$30,000 to be transferred from designations to the operating budget to pay for Moyer contractor support, including the Offroad Equipment Replacement Program. As neither these revenues nor expenditures are in the existing FY 2010-2011 budget, staff is requesting that your Board increase the FY 2010-2011 budget revenues and expenditures by \$230,000 to fund Moyer Programs.

The District has experienced a continued and remarkable community interest in its current Old Car Buyback Program. Since June 2010, the Old Car Buyback Program monthly demand has almost doubled such that the budgeted revenues in the FY 2010-2011 budget for the Old Car Buyback Program is anticipated to be expended by the end of January 2011. To ensure that the program is able to continue serving the public without interruption, staff recommends your Board authorize a transfer of \$400,000 in designations to the operating budget and to authorize expenditure of those funds for operating the Old Car Buyback Program.

#### DISCUSSION:

##### Moyer Program

Established pursuant to Section 44275 of the California Health and Safety Code, the Moyer Program which is overseen statewide by the Air Resources Board, provides incentives for cleaner heavy-duty diesel engines in the state. The District's Innovative Technology Group is responsible for local administration of the Moyer Program. In October 2010, your Board approved implementation of the Offroad Equipment Replacement Program as the newest element of the Moyer Program.

The District's FY 2010-2011 budget allocated \$585,575 of revenues and expenditures to fund Moyer Program projects. These revenues and expenditures did not anticipate the implementation of the Offroad Equipment Replacement Program. The District currently has over \$300,000 of Moyer funds in designations. To ensure that the Moyer Program spectrum of projects can be adequately funded through FY 2010-11, staff recommends your Board authorize a transfer of \$200,000 in Moyer designations to the operating budget and expenditure of these funds for operating the Moyer program. Additionally, to support the Moyer programs, including the new Offroad Equipment Replacement Program, the District is also requesting that \$30,000 in designations be transferred to the operating budget to provide for contractor support (10 hours per pay period). In sum, staff is requesting that your Board increase the FY 2010-2011 Moyer program budget revenues and expenditures by \$230,000.

##### Old Car Buyback Program

The District has successfully implemented several Old Car Buyback Programs since the early 1990's, including our current program, which was approved by your Board on March 16, 2006. There has been remarkable community interest in this program over the past four years. As of November 30, 2010 the District has retired 1761 vehicles, resulting in the reduction of over 61

tons of ozone precursors nitrogen oxides and reactive organic compounds, at an average cost-effectiveness of \$11,000/ton.

Prior to June 2011, the Old Car Buyback Program retired an average of almost 30 vehicles/month. Since then, there has been an enormous surge in public interest which has almost doubled that average, an upsurge which staff attributes to added public outreach efforts and an increase from \$800 to \$1,000 paid to the owner. It is anticipated that the FY 2010-2011 budget for the Old Car Buyback Program will be expended by the end of January 2011. The Old Car Buyback Program is supported by a Department of Motor Vehicle \$2 vehicle registration fee surcharge (“\$2 DMV funds”) and the District has over \$500,000 of \$2 DMV funds in designations. To ensure that the program is able to continue serving the public without interruption, staff recommends your Board authorize a transfer of \$400,000 in \$2 DMV designations to the operating budget and expenditure of these funds for operating the Old Car Buyback Program.

#### FISCAL IMPACT

As noted in the discussion above, the District has sufficient designated funds to support the requested spending authority increases. Thus, transfer of some of the designations into the operations budget for FY 2010/11 will allow the District to meet increased demand for grant programs, while still leaving designated funds for future budget years. Thus, there are no negative fiscal impacts from this action.

A Budget Journal Entry is included as Attachment 2.

#### Attachments:

1. Resolution to amend the District’s FY 2010-2011 budget
2. Budget Journal Request

Attachment 1

APCD Board Resolution

**RESOLUTION OF THE BOARD OF DIRECTORS OF  
THE SANTA BARBARA COUNTY  
AIR POLLUTION CONTROL DISTRICT**

IN THE MATTER OF AMENDING THE ) RESOLUTION NO. \_\_\_\_\_  
FY 2010-2011 SANTA BARBARA COUNTY )  
AIR POLLUTION CONTROL DISTRICT )  
BUDGET )  
\_\_\_\_\_ )

**RECITALS**

- 1) WHEREAS, the Santa Barbara County Air Pollution Control District ("District") Board on June 13, 2010, in a noticed public hearing, adopted the District's Fiscal Year 2010-2011 budget (FY 2010-11 budget); and
- 2) WHEREAS, the Fiscal Year 2010-11 budget anticipated expenditures of \$400,000 for the District's Old Car Buyback Program and \$585,575 for Moyer Program projects; and
- 3) WHEREAS, the District has experienced an unanticipated demand for its Old Car Buyback Program and the expenditure allocations in the Fiscal Year 2010-11 budget are insufficient to continue the Old Car Buyback Program through the end of Fiscal Year 2010-11; and
- 4) WHEREAS, the District has recently added an Offroad Equipment Replacement Program to the Moyer Program and the Moyer Program expenditure allocations in the Fiscal Year 2010-11 budget are expected to be insufficient to fund and administer the Offroad Program along with other Moyer funded programs through the end of Fiscal Year 2010-11; and
- 5) WHEREAS, the District foresees it can meet Moyer Program and Old Car Buyback Program demand by amending the Fiscal Year 2010-11 budget to increase allowable expenditures for the Old Car Buyback Program from \$400,000 to \$800,000 and from \$585,575 to \$815,575 for the Moyer Program; and
- 6) WHEREAS, in the Fiscal Year 2010-11 budget, the designations are available to fund these expenditure increases and the District has prepared a Budget Journal Entry to reflect the use of these designations (Attachment 2);

THEREFORE, IT IS HEREBY RESOLVED THAT the Fiscal Year 2010-11 budget is amended to increase allowable expenditures for the Old Car Buyback Program from \$400,000 to \$800,000 and from \$585,575 to \$815,575 for the Moyer Program.

PASSED AND ADOPTED by the Santa Barbara County Air Pollution Control District Board of Directors, County of Santa Barbara, State of California, this 20th day of January 2011, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Santa Barbara County Air Pollution Control  
District, State of California

By \_\_\_\_\_  
Chairperson

Date \_\_\_\_\_

ATTEST  
TERRY DRESSLER  
Clerk of the Board

By \_\_\_\_\_  
Deputy

APPROVED AS TO FORM:  
DENNIS A. MARSHALL  
County Counsel

By \_\_\_\_\_  
Deputy  
Counsel for APCD

APPROVED AS TO ACCOUNTING FORM:  
ROBERT W. GEIS, CPA  
AUDITOR-CONTROLLER

By \_\_\_\_\_  
Deputy

APPROVED AS TO FORM:  
RAY AROMATORIO, ARM, AIC  
RISK MANAGER

By \_\_\_\_\_  
Risk Manager

Attachment 2

Budget Journal Entry



## Budget Journal Entry

Document Number: BJE - 0001280  
 Document Description: FY10-11APCD Budget Revision #01  
 Post On: 2/3/2011

Batch ID: 1279232  
 Processed On:  
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### References

Audit Trail:

### Accounting

Fund	Dept	GL Acct	LI Acct	Debit Amount	Credit Amount	Prog	OUnit	Proj	Budget Period	Description
1960	871	2420	5097	200,000.00					201102	Unanticipated Rev/Oth Src - Moyer
1960	871	2420	9737	30,000.00					201102	Increase use of ITG-Moyer Designations
1960	871	2420	9799	400,000.00					201102	Increase use of DMV \$2 Designations
1960		2600			600,000.00					Budgetary Fund Balance
1960	871	2530	6100		30,000.00				201102	Appropriations/Oth Fin Use-Salaries Moyer
1960	871	2530	7460		600,000.00				201102	Appropriations/Oth Fin Use-Prof Svs Moyer & \$2DMV
1960		2600		600,000.00						Budgetary Fund Balance
			Total	<u>1,230,000.00</u>	<u>1,230,000.00</u>					

### Signatures

Signed By	Signed On	Department/Agency
Linda Alexander	12/15/2010 9:09:30 AM	10 - Air Pollution Control District