

Agenda Date: March 17, 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

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 \$100,000 release of ITG-Moyer designations along with a corresponding a \$70,000 increase in Services and Supplies and \$30,000 increase in Salaries and Benefits 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 \$150,000 release of DMV \$2 designations along with a corresponding \$150,000 increase in Services and Supplies 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 release \$70,000 of ITG-Moyer designations for grants budgeted under Services and Supplies. Staff is also requesting \$30,000 to be released to pay for Moyer contractor support, including the Offroad Equipment Replacement Program, budgeted under Salaries and Benefits. 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 \$100,000 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 have already been expended. To ensure that the program is able to continue serving the public, staff recommends your Board authorize a release of \$150,000 in DMV \$2 designations and increase the Services and Supplies budget by the same amount 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 release of \$70,000 in Moyer designations and a corresponding Services and Supplies budget increase 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 released to provide for additional contractor support (10 hours per pay period) budgeted under Salaries and Benefits. In sum, staff is requesting that your Board increase the FY 2010-2011 Moyer program budgeted revenues and expenditures by \$100,000.

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

January 31, 2011 the District has retired 1886 vehicles, resulting in the reduction of over 66 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. As the FY 2010-2011 budget spending authority for the Old Car Buyback Program was expended at the beginning of February 2011, the program has been temporarily suspended and vehicles are not being accepted. 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 be restarted and continue serving the public with minimal disruption, staff recommends your Board authorize (1) a release of \$150,000 in \$2 DMV designations and (2) a corresponding increase in Services and Supplies budget 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, release of some of the designations in 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 Entry

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 \$550,000 and from \$585,575 to \$685,575 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 \$550,000 and from \$585,575 to \$685,575 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 17th day of March 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 Batch ID: 1279232
 Document Description: FY10-11APCD Budget Revision #01 Processed On:
 Post On: 3/24/2011 Processed By:

References

Audit Trail:

Accounting

| Fund | Dept | GL Acct | LJ Acct | Debit Amount | Credit Amount | Prog | QUnit | Proj | Budget Period | Description |
|------|------|---------|---------|--------------|---------------|------|-------|------|---------------|---|
| 1960 | 871 | 2420 | 5097 | 70,000.00 | | | | | 201103 | Unanticipated Rev/Oh Svc - Moyer |
| 1960 | 871 | 2420 | 9737 | 30,000.00 | | | | | 201103 | Increase use of ITG-Moyer Designations |
| 1960 | 871 | 2420 | 9799 | 150,000.00 | | | | | 201103 | Increase use of DMV \$2 Designations |
| 1960 | | 2600 | | | 220,000.00 | | | | | Budgetary Fund Balance |
| 1960 | 871 | 2530 | 6100 | | 30,000.00 | | | | 201103 | Appropriations/Oh Fin Use-Salaries Moyer |
| 1960 | 871 | 2530 | 7460 | | 220,000.00 | | | | 201103 | Appropriations/Oh Fin Use-Prof Svs Moyer & \$2DMV |
| 1960 | | 2600 | | | | | | | | Budgetary Fund Balance |
| | | | Total | 220,000.00 | 470,000.00 | | | | | |
| | | | | 470,000.00 | 470,000.00 | | | | | |

Signatures

Signed By: Linda Alexander
 Signed On: 2/23/2011 3:17:32 PM
 Department/Agency: 10 - Air Pollution Control District