

Agenda Date: June 20, 2011  
Agenda Placement: Regular  
Estimated Time: 15 Minutes  
Continued Item: Yes

## Board Agenda Item

TO: Air Pollution Control District Board

FROM: Terry Dressler, Air Pollution Control Officer

CONTACT: Donald Kendig, CPA, Business Manager (961-8854)

SUBJECT: Adoption of the Fiscal Year 2011-12 Budget

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### RECOMMENDATION:

1. Hold a public hearing to consider and adopt the budget for Fiscal Year 2011-12, as presented in the *Fiscal Year 2011-12 Comprehensive Program Summary and Proposed Budget: June Revise* document (Attachment A).
2. Adopt the
  - A.) Budget Resolution (Attachment B) approving the Fiscal Year 2011-12 APCD Budget,
  - B.) Salary Resolution (Attachment C) deleting one Air Quality Engineer I/II and adding one Air Quality Engineer III,
  - C.) 401(h) Retiree Medical Account Fiscal Year 2010-11 and 2011-12 Contribution Resolution (Attachment D) setting forth the contributions for the fiscal year, and
  - D.) Designation Mapping and Transfer Resolution (Attachment E) implementing the County's new fund balance accounts in accordance with Government Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

### DISCUSSION:

We recommend that your Board, as part of holding a public hearing, “adopt the Budget resolution (Attachment B), Salary Resolution (attachment C), 401(h) Retiree Medical Account Fiscal Year 2010-11 and 2011-12 Contribution Resolution (Attachment D), and Designation Mapping and Transfer Resolution (Attachment E).”

#### ***Attachment A - Comprehensive Program Summary and Adopted Budget for Fiscal Year 2011-12***

On May 19, 2011, your Board held the first of two required public hearings on the APCD's budget for Fiscal Year (FY) 2011-12. The purpose of that hearing was to solicit additional public comment and receive direction from your Board. Prior to that hearing, staff held a public workshop on April 8, 2011.

Changes to the proposed budget presented in May include:

- increasing the forecasted April to April CPI for Rule 210 fees from 1.0% to 3.1% for the reported April to April CPI,
- increasing budgeted Salaries and Benefits by \$27,000 under the Fiscal and Executive section of the Administrative Division for anticipated costs associated with the hiring of a new Air Pollution Control Officer,
- increasing Reevaluation Cycle designation (putting \$28,805 into savings),
- updating the job class table for the error in the funded status of the Network Technician I/II classification, decreasing the funded level from 2.0 to 1.75 full time equivalents (FTE), and
- updating all other related expenditure, revenue, and designation charts, graphs, tables, and narrative for the above changes.

The proposed budget, as adjusted since the May hearing, is \$9,635,269. This is a \$57,481 increase from the original proposal of \$9,577,788. You may adopt this budget as presented in the *Fiscal Year 2011-12 Comprehensive Program Summary and Adopted Budget: June Revise* document, or as modified for any changes you may like to make to it.

***Attachment B – Budget Resolution***

The attached budget resolution formalizes the adoption of the Fiscal Year 2011-12 budget, incorporating by reference the budget documents presented, hearing proceedings, and decisions by the Board in making any final budget adjustments. It also authorizes the Air Pollution Control Officer and Auditor Controller to make adjustments to the adopted budget during the fiscal year for ministerial items, such as items required by financial reporting pronouncements and administrative efficiencies.

***Attachment C – Salary Resolution***

The attached salary resolution amends the original Salary Resolution No. 97-05. This is an incremental process as personnel actions are brought before your Board. This resolution recognizes the Job Class Table on page 12 of the *Fiscal Year 2011-12 Comprehensive Program Summary and Adopted Budget: June Revise* document (attachment A) as superseding all previous modifications to Sections 5 & 9 of the original Salary Resolution No. 97-05. In addition to previous amendments adopted by your Board during fiscal year 2010-11, the Job Class Table deletes one Air Quality Engineer I/II and adds one Air Quality Engineer III.

***Attachment D – 401(h) Retiree Medical Account Fiscal Year 2010-11 and 2011-12 Contribution Resolution***

The attached contribution resolution provides for the making of contributions to the District’s 401(h) Retiree Medical Account for fiscal years 2010-11 and 2011-12 in accordance with Internal Revenue Code and Retirement System staff guidance. As part of the budget adoption process, a resolution, such as this, will be provided for the fiscal year in which we plan on making contributions.

***Attachment E – Designation Mapping and Transfer Resolution***

The attached designation mapping resolution provides for the mapping and moving of the APCD's fund balance designations into new fund balance accounts and categories in conformity with Government Accounting Standards Board (GASB) adopted Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The APCD implemented this new standard early in its June 30, 2009 (and 2010) Comprehensive Annual Financial Reports and manually mapped its designation balances for the report. The County of Santa Barbara, where the APCD's funds are kept and recorded, is ready to officially implement the new fund balance reporting framework, which would benefit from formal Board action to move the balances from the old accounts into the new ones