



<p style="text-align: center;">Board Agenda <i>Public Hearing/Action</i></p>

Agenda Date: August 9, 2012

Prepared By: Jane Bailey, Fiscal Officer

Topic: Proposed Final Budget FY 2012-13

Action Requested:

- 1) Conduct a Public Hearing for the purpose of reviewing the District’s Fiscal Year 2012-13 Proposed Final Budget.
- 2) Adopt Resolution #12-08 (Attachment #1), thereby approving the District’s budget for Fiscal Year 2011-12.

Discussion: The District offers the following analysis of the differences between the *Proposed Final Budget* for FY 2012-13 and the *Approved Revised Budget* for FY 2011-12.¹ Please refer to Table 1 (see Attachment #2) for the following discussion:

Proposed Revenue: There is a projected **\$75,673** net decrease from the *Approved Revised* FY 2011-12 Budget¹ for the total proposed Revenue of **\$3,433,548** in FY 2012-13 as compared to **\$3,487,657** in FY 2011-12. The interest revenue from the District’s funds continues to drop by approximately \$50,000 for this budget cycle. One of the reasons for this is that the District drew from the Settlement Fund and the Litigation Cost Recovery Fund almost 1.9 million dollars for the Board approved purchase and refurbishment of the District facility in 2010. In the Proposed Final Budget the District proposes to commence the replenishment of the Settlement Fund by allocating \$50,000 to that fund. Also, the District does not budget the revenue from the mitigation plans that have not yet been approved by the jurisdictions that have authority over those plans. These two decreases in revenue are the main reasons for the lower projected revenue.

Proposed Expenditures: The Total Expense of **\$3,891,634** for FY 2012-13 is **\$26,351** lower than the *Approved Revised* Budget for FY 2011-12¹ that shows a Total Expense of **\$3,917,985**. This is because “Salaries and Benefits” are proposed to be \$115,230 lower in FY 2012-13 due to a planned reduction in extra-help personnel support, cost savings caused by retiring personnel and the lower entry level salary cost to fill a vacancy. See the fifth bullet on page 11 of the enclosed Proposed Final Budget for FY 2012-13 for a detailed explanation. “Supplies and Services” are proposed to be increased by \$84,879 and “Clean Air Grants (CAG) and Technology Assessment Program (TAP)” are proposed to be \$46,000 lower than the *Approved Revised* Budget for FY 2011-12. If Mitigation Revenue is received in the

¹The Approved Budget for FY 2011-12 has been revised three times since the original approval. It was revised once to include the EPA 105 grant funding of \$74,866, a second time to increase the funding received from State Subvention to be used for a PSA consultant of \$5,000, and a third time to increase the funding of services from Placer County in the amount of \$10,000 from the County’s Biomass Utilization Project.

current FY 2012-13, the available CAG funding will be increased through a budget revision as has been the practice in past fiscal years.

The total proposed Revenue -- **\$3,433,548** for FY 2012-13 combined with the total “Fund Carry-Over” -- **\$790,209** from FY 2011-12 are the “Total Funds Available” -- **\$4,223,757** (see the top pie chart shown in Attachment #3).

The total proposed Expenditures -- **\$3,891,634** for FY 2012-13 plus the Total Ending Fund Balance -- **\$332,123** for FY 2012-13 equal the “Total Fund Usage” -- **\$4,223,757** (see the bottom pie chart shown in Attachment #3).

In this enclosed Proposed Final Budget for FY 2012-13 (pages 4 through 9), Staff has linked program and project resource expenditures to specific goals and objectives contained within the District’s Mission Statement. Also, page 14 of the enclosed Proposed Final Budget FY 2012-13 has a complete listing of the expenditures proposed in this budget.

Fiscal Impact: The Proposed Final Budget for FY 2012-13 for **\$4,223,757** is 1.76% lower than the budget presented and approved in FY 2011-12. This proposed budget has **\$26,351** less in expenditures than the FY 2011-12 Budget and covers the operational costs, maintains services and program delivery, and provides for selected critical resource needs. It also maintains an Operations Fund Balance of **\$329,084** which is 7.8% of the total Proposed Operations Budget for FY 2012-13.

Recommendation: Having complied with the Health and Safety Code 40131 (3) (A) and 40131 (3) (B) in regards to the adoption of a board approved budget, it is recommended that the Board adopt Resolution #12-08, thereby approving the District’s budget for Fiscal Year 2012-13.

Enclosure (s) #1: Proposed Final Budget FY 2012-13

Attachment(s) #1: Resolution #12-08 for the approval of the proposed Budget FY 2012-13.
#2: Table showing comparison of Proposed Final Budget FY 2012-13 and the Revised Final Budget FY 2011-12
#3: Pie Chart showing Funds Available and Fund Usage