

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

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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 \$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



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