

Lane Regional Air Protection Agency

Annual Budget
2018-2019

ADOPTED

LRAPA Vision

Community partners working together
to ensure clean air for everyone



LRAPA
Lane Regional Air Protection Agency

LANE REGIONAL AIR PROTECTION AGENCY
FY 2018-2019 Budget Document

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LANE REGIONAL AIR PROTECTION AGENCY

BUDGET COMMITTEE: FY 2018/2019

TERM ENDS	APPOINTEE	BOARD MEMBER	JURISDICTION
02/08/19	Chuck Gottfried	Joe Pishioneri Springfield City Councilor	Springfield
03/10/19	Vacant	Bill Carpenter	Springfield
02/08/21	Josh McMillan	Jim Coey City of Oakridge Mayor	Oakridge
02/11/19	Ronald Patton	Joe Gonzales	Eugene
02/08/20	Adam Rue	Jeannine Parisi	Eugene
03/08/20	Iva Pfeifer	Mike Fleck Cottage Grove City Councilor	Cottage Grove
02/09/20	Marianne Dugan	Charlie Hanna	Eugene
02/08/21	Ruth Duemler	Betty Taylor Eugene City Councilor	Eugene
02/08/21	Kathy Lamberg	Jay Bozievich Lane County Commissioner	Lane County



Introduction

The Lane Regional Air Protection Agency (LRAPA) was created in 1968 to improve and maintain air quality in Lane County. This is done in a manner that reflects local priorities and goals while meeting federal and state air pollution control requirements and health-based standards.

With the support of its member jurisdictions – Lane County and the cities of Eugene, Springfield, Cottage Grove and Oakridge – LRAPA carries out its mission to protect and enhance air quality through a combination of regulatory and non-regulatory programs and activities.

The nine-member LRAPA Board of Directors is the policy-making arm of the agency. Membership includes four representatives from the city of Eugene, one each from Lane County and the city of Springfield, one from either the city of Cottage Grove or the city of Oakridge and two at-large representatives.

The agency also relies on additional public input from its Citizen Advisory Committee, which includes representatives from industry, environmental concerns, public health, fire suppression, agriculture, community planning and the general public.



Functions

The Board of Directors appoints the agency director, who hires and directs LRAPA's professional and technical staff to work in the following areas:

Compliance Operations

Compliance Operations includes permitting, compliance and enforcement. Permitting establishes conditions under which regulated industrial sources may operate to minimize air pollution. Compliance is assured through inspections and enforcement actions taken to correct violations as needed. Special programs include asbestos abatement regulation and enforcement of open burning rules and regulations.

Monitoring and Data Management

Monitoring provides air quality data via a network of equipment which operates 24 hours/day, seven days/week. Monitoring and meteorological equipment is located at key sites throughout Lane County. Air quality data are reported daily by the news media and are available continuously on the LRAPA website. Data are used to evaluate progress in improving air quality and to determine whether federal air quality standards are being met.

Public Outreach, Planning and Administration

Public outreach promotes understanding of the causes of air pollution and compliance with regulations, and methods of pollution prevention through various educational strategies. LRAPA speakers are available upon request. Air quality planning identifies present and future air quality problems, and develops management and control strategies to improve and maintain air quality in Lane County.

The administrative staff provides support to all external services, handles complaints from the public, provides financial services and human resource management support.



Mission and Vision

LRAPA's mission is:

To protect public health, quality of life and the environment as a leader and advocate for the continuous improvement of air quality in Lane County

LRAPA goals:

Air Quality

Our goal is to ensure healthful air quality for all Lane County citizens.

Involvement

Our goal is to inform and involve citizens and businesses in improving air quality.

Service

Our goal is to serve citizens and other stakeholders fairly, courteously, and in a timely manner.

Partnerships

Our goal is to work with our partners to leverage resources to make a difference in local air quality.

LRAPA values:

- Honesty, integrity & trust
- Good communication
- Accessible, accurate & understandable information & data
- Timeliness
- Cost effectiveness



Goals and Objectives of Lane Regional Air Protection Agency and Obligation to Federal Requirements

LRAPA Goal:

Ensure healthy air for all Lane County citizens

Goal 1. Air Quality:

Our goal is to ensure healthful air quality [i.e., meet or exceed National Ambient Air Quality Standards (NAAQS) and other health-based benchmarks] for all Lane County citizens.

Goal 2. Involvement:

Our goal is to inform and involve citizens and businesses in improving local air quality.

Goal 3. Service:

Our goal is to serve our citizens and other stakeholders fairly, courteously, and in a timely manner

Goal 4. Partnerships:

Our goal is to work with our partners to leverage resources to make a difference in local air quality.

Environmental Protection Agency Goal: Clean Air & Global Climate Change

EPA Objective & Sub-Objectives:

- Healthier Outdoor Air

- More people breathing cleaner air.
- Reduce risk from air toxic pollutants.
- Climate change.



LRAPA's Workplan: Outcomes and Supporting Activities

Outcomes:

1. Maintain compliance with CO air quality health standards (1-hour and 8-hour NAAQS) at all locations in Lane County.
2. Maintain compliance with PM10 air quality health standards (24-hour NAAQS) at all locations in Lane County.
3. Maintain compliance with PM2.5 air quality health standards (annual and 24-hour NAAQS) at all locations in Lane County except for the 24-hour PM2.5 standard in Oakridge; in Oakridge, attain the 24-hour PM2.5 standard as soon as possible.
4. Maintain compliance with Ozone air quality health standards (8-hour NAAQS) at all locations in Lane County.
5. Limit public exposure to asbestos by implementing an asbestos management program in Lane County.
6. Reduce health risk from toxic air pollutants by implementing point source and area source emission reduction programs.
7. Provide continuous improvement of overall air quality in Lane County.
8. Maintain effective permitting, compliance, enforcement, public outreach, complaint-response, ambient air monitoring, financial accounting, and other supporting programs to ensure meeting air quality standards.

Component: Carbon Monoxide (CO)

Activities

1. Implement CO maintenance plan for Eugene-Springfield Urban Growth Boundaries.
2. Review conformity findings in transportation plans and Transportation Improvement Programs (TIPs).
3. Participate in local transportation planning process.
4. Develop CO State Implementation Plan amendments.
5. Update CO emissions inventory.



LRAPA's Workplan: Outcomes and Supporting Activities

Component: Particulate Matter

Activities

1. Operate wood smoke curtailment and advisory program in Oakridge.
2. Conduct Warm Homes Clean Air program in Oakridge.
3. Conduct a woodstove change out program in Oakridge.
4. Continue to implement PM attainment strategies for Eugene-Springfield.
5. Maintain emissions inventory.
6. Prepare PM10 redesignation and maintenance plan for Eugene-Springfield area.
7. Prepare PM2.5 attainment plan for Oakridge.

Component: Ozone

Activities

1. Maintain VOC & NOX emissions inventory.
2. Participate in Clean Air Action Day program.
3. Encourage industrial sources to make voluntary reductions in NOx & VOC.
4. Continue Everybody Wins, Lane Clean Fuels, School Bus USA, and other diesel-related programs.

Component: Permitting and Compliance

Activities

1. Permit non-Title V sources.
2. Conduct inspections at non-TV sources.
3. Address violations in a timely, fair and consistent manner.
4. Negotiate settlement agreements.
5. Issue penalty notices.
6. Issue enforcement orders.
7. Conduct contested case hearings.
8. Conduct compliance assurance activities in accordance with the Compliance Assurance Agreement.
9. Respond to citizen complaints.



LRAPA's Workplan: Outcomes and Supporting Activities

Component: Permitting and Compliance

Activities

10. Update permitting rules.
11. Implement New Source Review (NSR)/Prevention of Significant Deterioration (PSD) program.
12. Update NSR/PSD rules.
13. Compile Green House Gas (GHG) emission inventory for affected sources.

Component: Asbestos

Activities

1. Process asbestos abatement notifications.
2. Inspect at least 15% of National Emission Standards for Hazardous Air Pollutants (NESHAPs) asbestos projects.
3. Inspect industrial, commercial, residential, and small scale abatement jobs.
4. Patrol and respond to unreported asbestos abatement projects.
5. Inspect asbestos disposal site at Short Mountain.
6. Report asbestos activity to National Asbestos Registry System (NARS).
7. Provide asbestos information and technical assistance to homeowners.

Component: Monitoring

Activities

1. Operate monitoring network for Ozone, PM, CO & Air Toxics.
2. Conduct a comprehensive Quality Assurance (QA)/Quality Control (QC) program.
3. Conduct network validation studies.
4. Conduct SIP/Pollution Prevention (P2) monitoring in support of local curtailment and public information program.
5. Complete biannual review of network design and operation with the Oregon DEQ.
6. Provide technical assistance, auditing of source testing and modeling to include fence line networks and Continuous Emissions Monitoring System (CEMS) for industrial sources.
7. Provide daily Air Quality Index (AQI) reporting for criteria pollutants.



LRAPA's Workplan: Outcomes and Supporting Activities

Component: Hazardous Air Pollutants

Activities

1. Update and revise NESHAP rules.
2. Operate air toxics monitoring sites in south and west Eugene.
3. Review permit applications subject to NESHAPs and Maximum Achievable Control Technology (MACT).
4. Maintain Hazardous Air Pollutant (HAP) Emission Inventory (EI).
5. Maintain a risk-based HAP program in Lane County.

Component: Public Information and Education

Activities

1. Prepare and distribute educational materials about air quality, pollution prevention, and LRAPA's role in the community.
2. Respond to public information requests.
3. Improve access to information.
4. Provide timely and accurate information to key stakeholders about LRAPA policies, rule revision and other activities.
5. Develop and implement programs to reduce emissions through public education.
6. Implement Home Heating Program.
7. Survey public about LRAPA and air quality.
8. Lead by example on reducing air emissions.
9. Provide asbestos information and technical assistance to home owners during remodeling projects.
10. Provide LRAPA program information to new home owners.



LRAPA's Workplan: Outcomes and Supporting Activities

Component: Small Business Assistance and Pollution Prevention (P2)

Activities

1. Provide regulatory compliance and P2 technical assistance to small business.
2. Promote efficient communications with small business through use of industry specific education and training.
3. Participate in multimedia P2 efforts.
4. Develop partnerships with industry, fleet sectors and industry associations.

Component: Interagency Coordination

Activities

1. Participate in interagency transportation and land use planning.
2. Partner with other agencies on projects that improve air quality.
3. Consult with federal agencies making general conformity findings on major federal projects.

Component: Staff Development

Activities

1. Recruit, train and develop qualified staff to provide professional, competent execution of LRAPA projects and programs.

Component: Joint Review Process

Activities

1. Manage work necessary to fulfill the grant requirement to complete a joint performance evaluation.



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Lane Regional Air Protection Agency

2018-2019

All Funds

Budget Summary

Year 2015-2016 Actual	Year 2016-2017 Actual	Year 2017-2018 Budgeted	Year 2017-2018 Projected *
983043	996626	952370	1151717
563186	580659	375260	490957
878762	904087	795280	919652
2424991	2481371	2122910	2562326
1785846	1802821	1869030	1864533
559379	450915	478770	460159
784023	791593	846400	790663
3129248	3045329	3194200	3115355
5554239	5526699	5317110	5677681
1772264	1647730	2009720	1892980
541906	540617	679070	636031
758698	751027	883060	829038
3072868	2939374	3571850	3358049
996626	1151717	811680	1123273
580659	490957	174960	315082
904087	919652	758620	881277
2481371	2562325	1745260	2319631
5554239	5501699	5317110	5677680
56380	80955	-377650	-242695

Beginning Fund Balance

	Proposed by Budget Officer	Approved By Budget Committee	Adopted by LRAPA Board
General Fund	1123270	1123270	1123270
Title V	315080	315080	315080
Airmetrics	881280	881280	881280
Beginning Fund Balance	2319630	2319629	2319629
Revenues			
General Fund	1946280	1946280	1946280
Title V	493360	493360	493360
Airmetrics	821750	821750	821750
Total Revenues	3261390	3261391	3261391
Total Resources	5581020	5581020	5581020

Expenditures

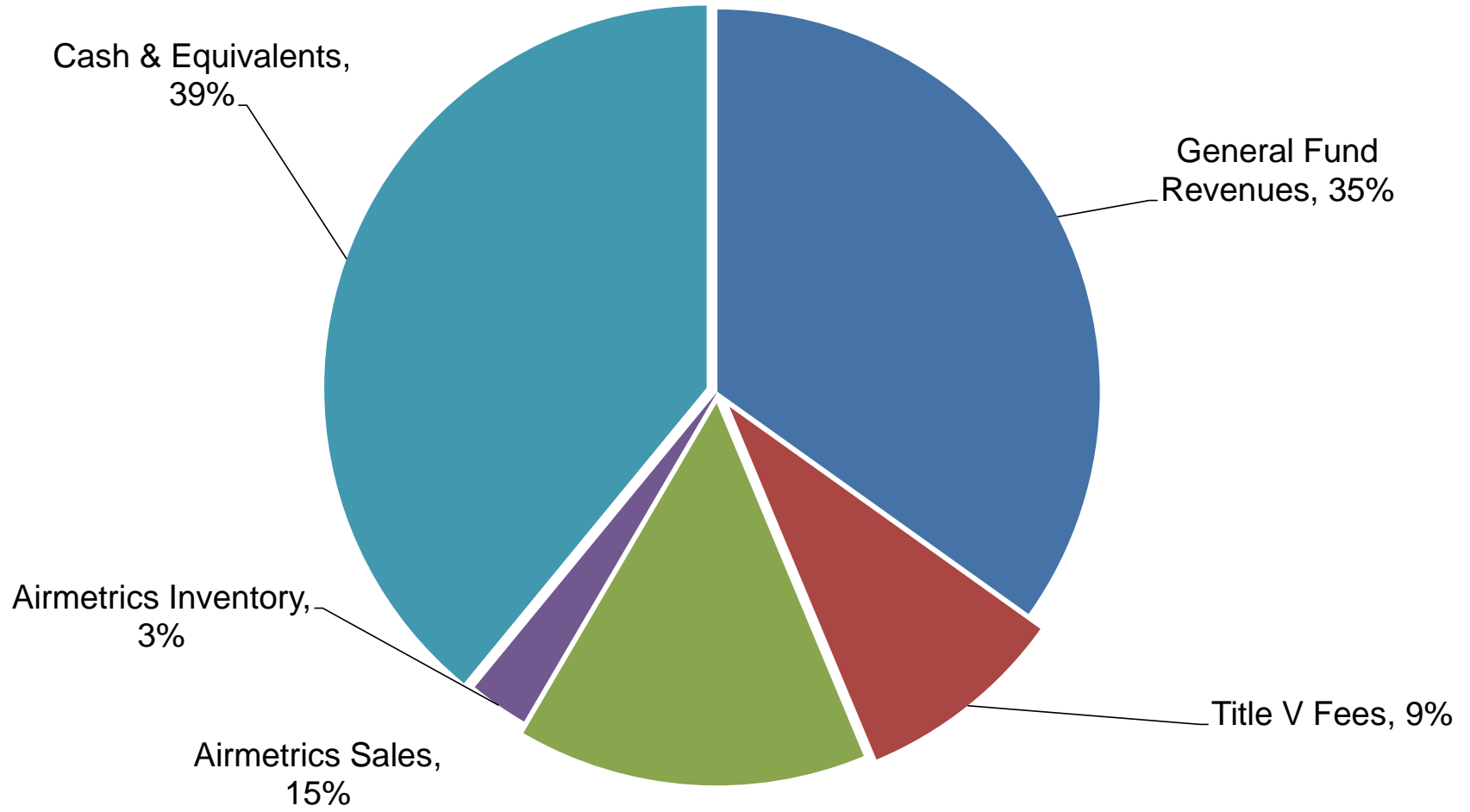
General Fund	2173940	2173940	2173940
Title V	588370	588370	588370
Airmetrics	958340	958340	958340
Total Expenditures	3720650	3720650	3720650

Ending Fund Balance

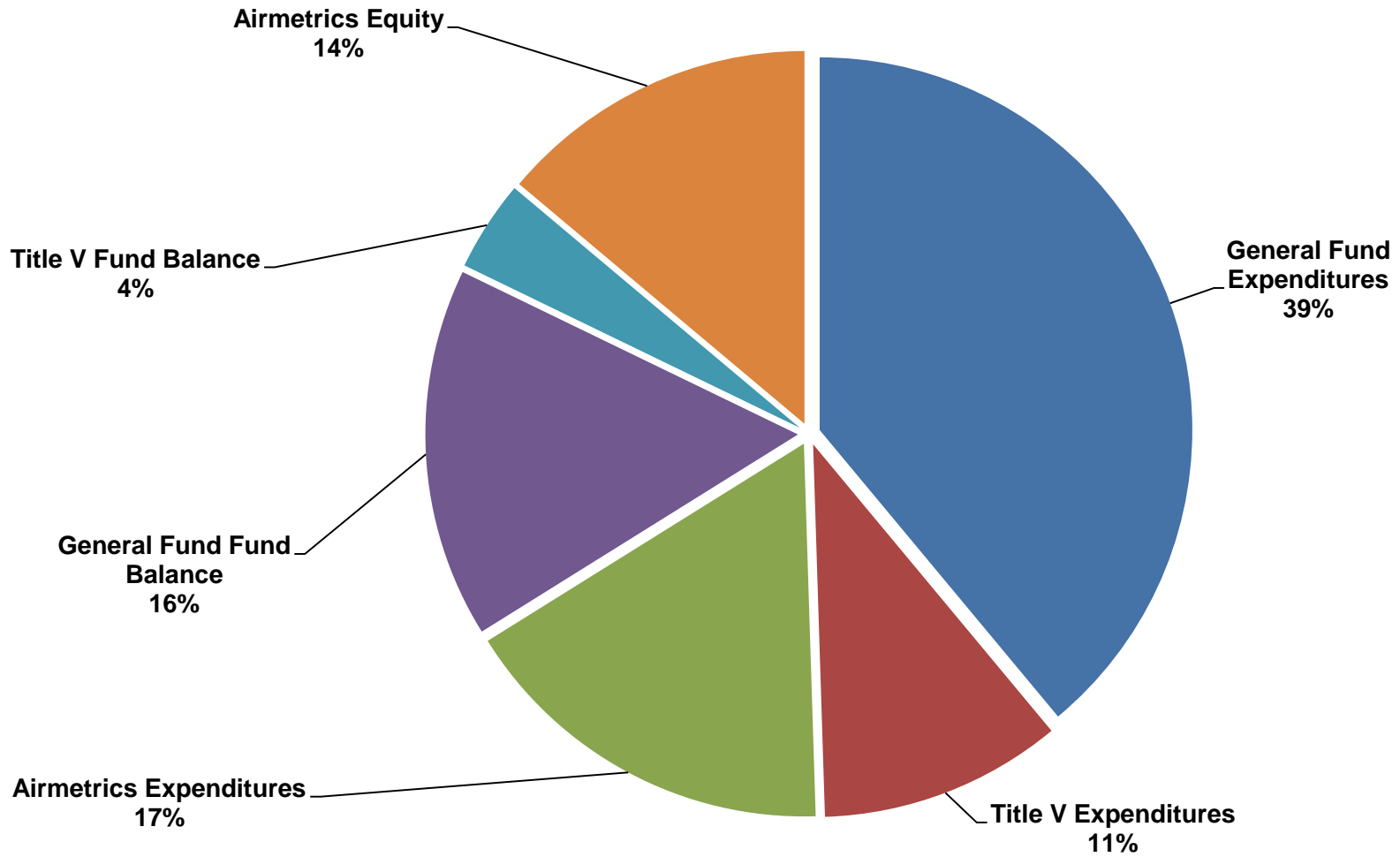
General Fund	895610	895610	895610
Title V	220070	220070	220070
Airmetrics	744690	744690	744690
Total Ending Fund Balance	1860370	1860370	1860370
Total Requirements	5581020	5581020	5581020
Net Fund Increase (Decrease)	-459260	-459259	-459259

*) The projected column is for information only

LRAPA RESOURCES
2018-2019
\$5,581,020

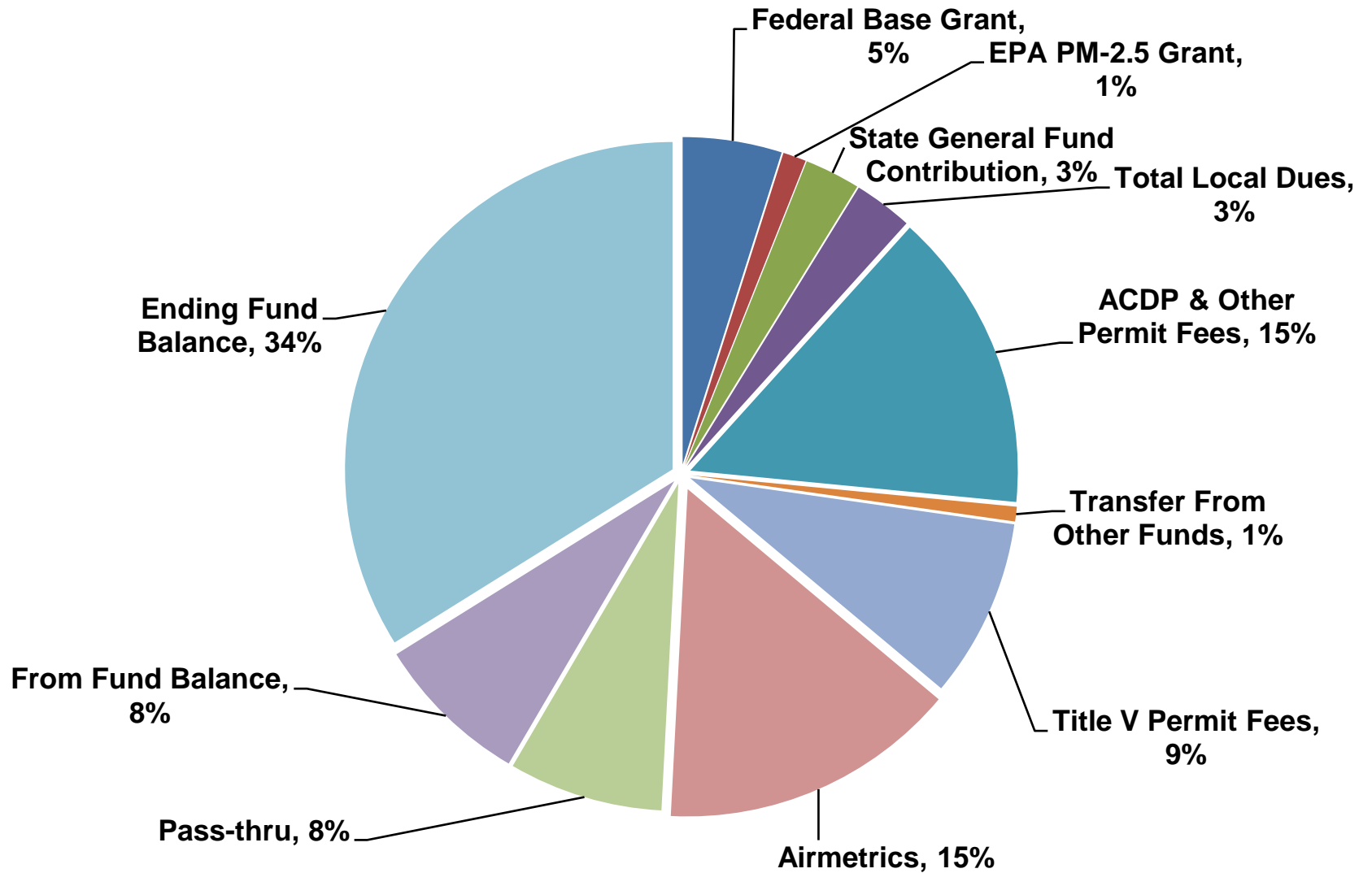


LRAPA REQUIREMENTS 2017-2018 \$5,581,020



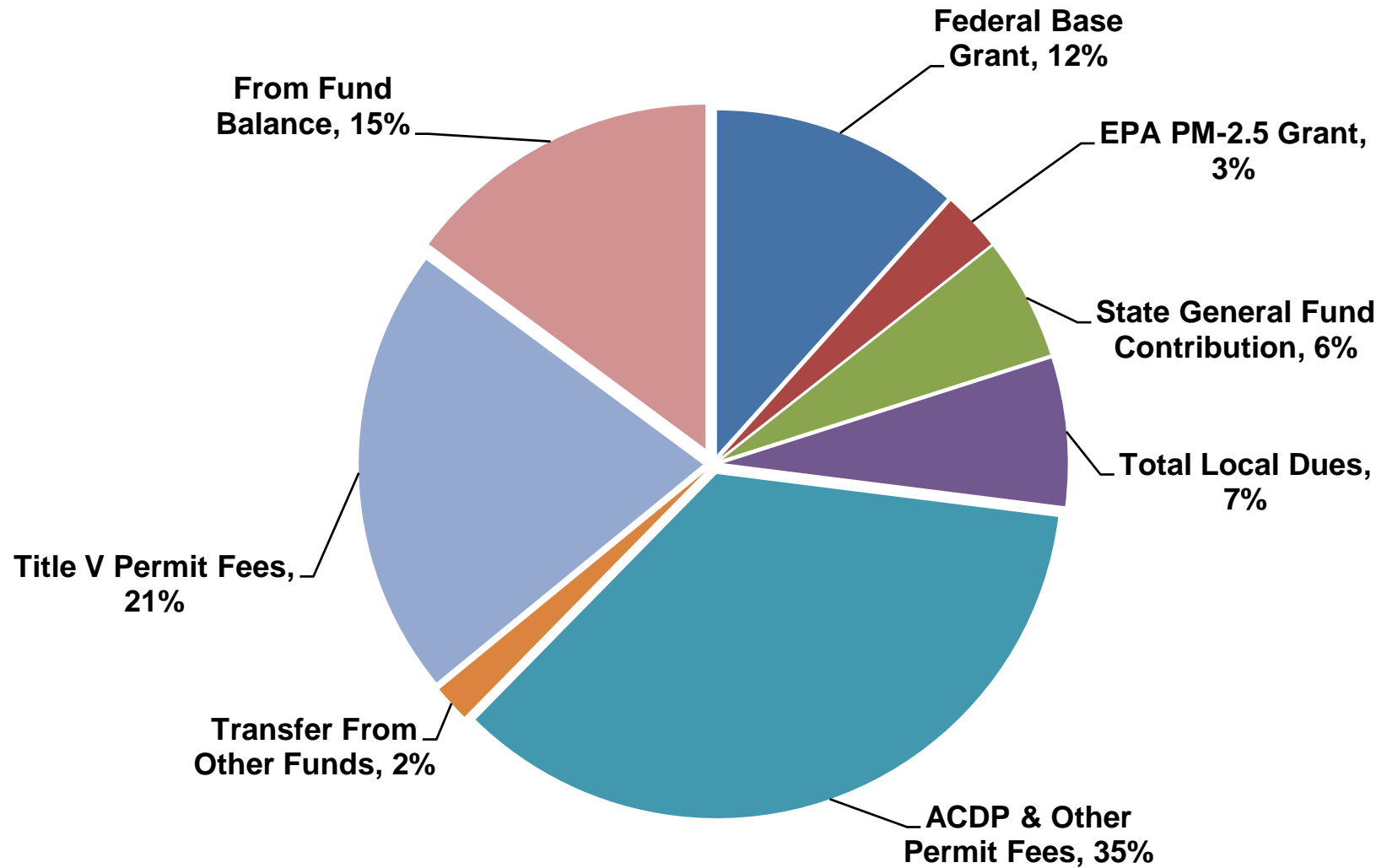
LRAPA Detailed Budget Resources FY'19

\$5,581,020

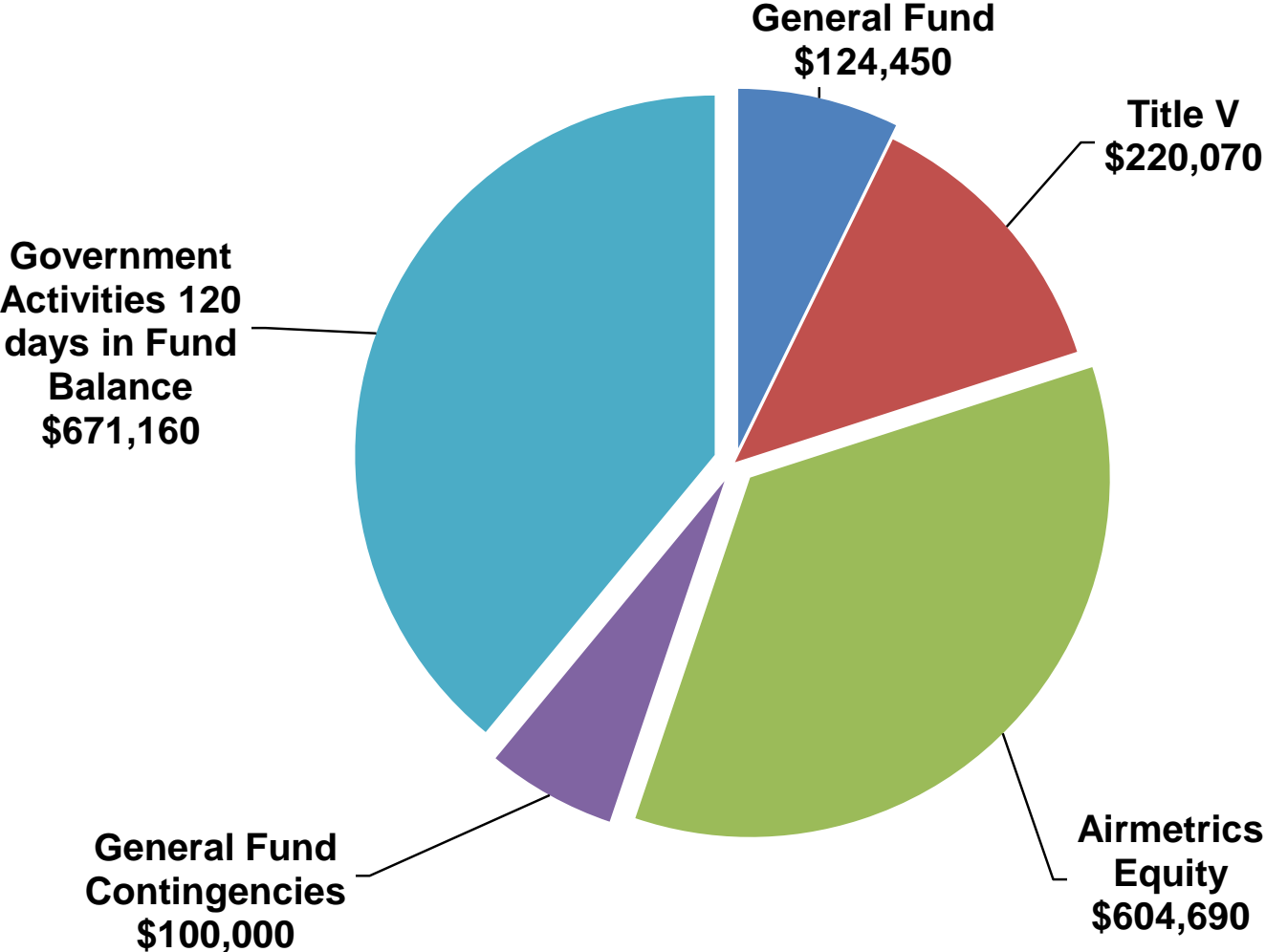


LRAPA Core Operating Budget Resources FY'19

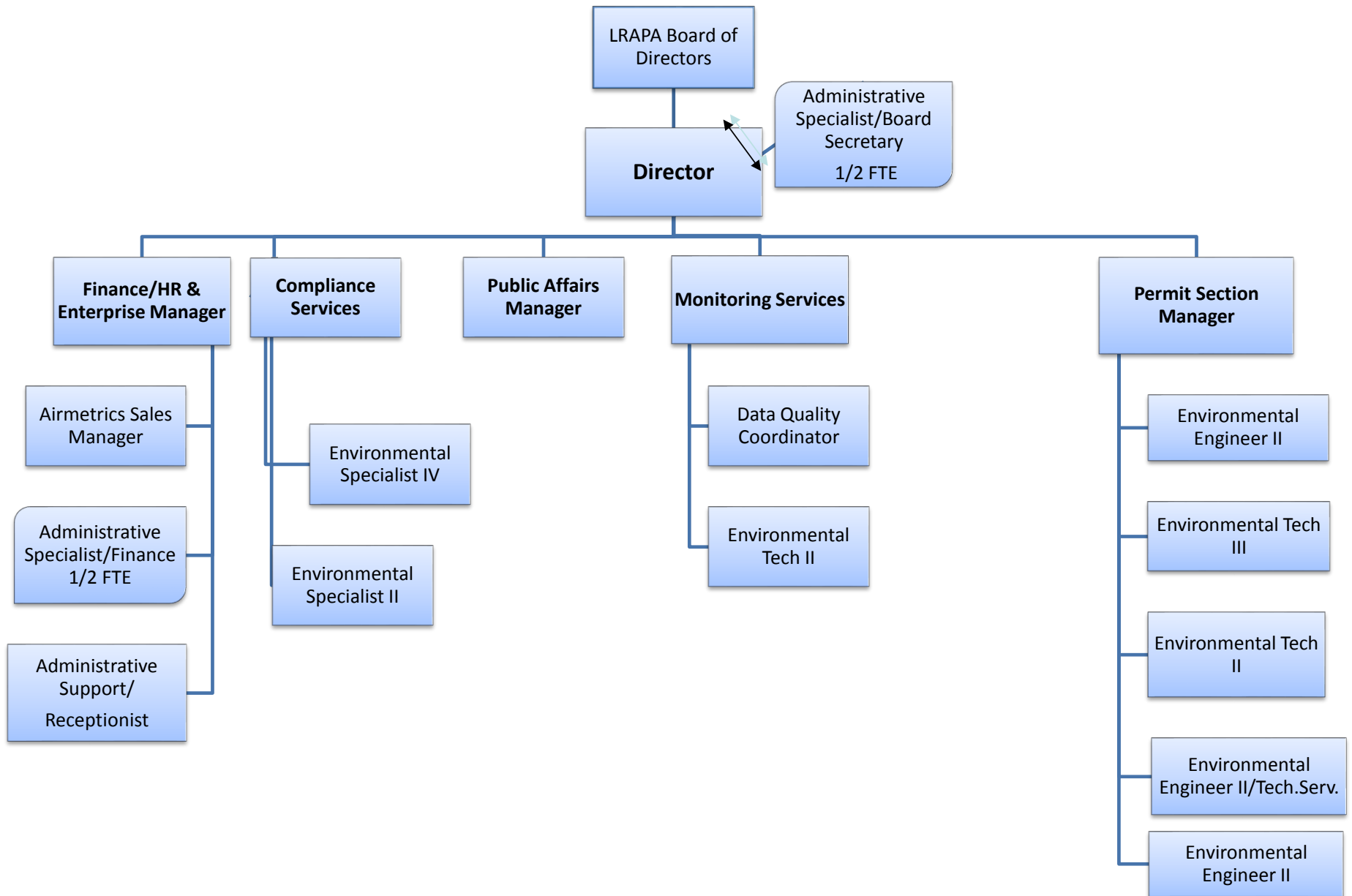
\$2,342,810



LRAPA Ending Fund Balance/Equity 2018-2019



Lane Regional Air Protection Agency (LRAPA) Organization Chart



STAFFING PLAN/FISCAL YEAR 2018-2019

Time Allocation	ACDP/Gen. Admin	TITLE V	ASBESTOS	OPEN BURN	IND SOURCE	MDAS	PUBLIC ED	AIRMET	LRAPA HWH/PM10	PM2.5	TOTAL
DIRECTOR (MH)	0.41	0.25	0.06	0.11		0.11	0.06				1.00
FINANCE/HR & ENTPR. MGR (NM)	0.51	0.25			0.01	0.01	0.01	0.21			1.00
ADMIN. SUPPORT/RECEPTIONIST (LC)	0.44	0.10					0.20	0.16	0.10		1.00
ENVIRO. ENGINEER II (VACANT)	0.76	0.15	0.03		0.06						1.00
AIRMETRICS SALES (TC)	0.00							1.00			1.00
ENVIRO. SPECIALIST II (KS)	0.35	0.25	0.20	0.10					0.10		1.00
ENVIRO. ENGINEER II (BE)	0.43	0.57									1.00
PERMIT SECTION MANAGER (MH)	0.37	0.63									1.00
ENVIRO. ENGINEER II (KE)	0.72	0.25	0.03								1.00
ENVIRO. TECH II (RL)	0.38	0.25	0.37								1.00
PUB AFFAIRS MGR. (JN)	0.30	0.10					0.50		0.10		1.00
ENVIRO. SPECIALIST IV (JM)	0.22	0.17	0.09	0.36					0.16		1.00
ADMIN.SPECIALIST/BOARD SECRETARY	0.59	0.20						0.09	0.12		1.00
ENVIRO. TECH II (DB)	0.14	0.25				0.36				0.25	1.00
ENVIRO. TECH III (CW)	0.40	0.40	0.10	0.10							1.00
DATA QUALITY COORDINATOR (LG)	0.20	0.25				0.30				0.25	1.00
FTE Count	6.22	4.07	0.88	0.67	0.07	0.78	0.77	1.46	0.58	0.50	16.00
TEMPORARY PART-TIME EMPLOYEE											
STAFF HELPER/INTERN	0.03	0.03	0.00				0.11		0.02		0.19
DIVISIONAL TOTAL FTE COUNTS	6.25	4.10	0.88	0.67	0.07	0.78	0.88	1.46	0.60	0.50	16.19
SALARIES BY FUND											
GENERAL FUND	700,550		93,020	87,460	6,880	100,550	85,590		64,770	60,760	1,199,580
TITLE V		497,810									497,810
AIRMETRICS								150,570			150,570
DEQ REMOTE OPERATORS											85,000

**Lane Regional Air Protection Agency
2018-2019
General Fund
Budget Summary**

Year 2015-2016 Actual	Year 2016-2017 Actual	Year 2017-2018 Budgeted	Year 2017-2018 Projected *		Proposed by Budget Officer	Approved By Budget Committee	Adopted by LRAPA Board
				Beginning Fund Balance			
983043	996626	952370	1151717	Beginning Fund Balance	1123270	1123270	1123270
				Revenues			
897891	879019	914500	921592	Federal & State Revenues	915290	915290	915290
134430	136250	151910	151910	Local Dues	162150	162150	162150
688695	724498	743960	722165	Permit Fees	799090	799090	799090
24830	23054	18160	28366	Other Revenues	29250	29250	29250
1745846	1762821	1828530	1824033	Total Revenues	1905780	1905780	1905780
40000	40000	40500	40500	Transfers to (from) Other Funds	40500	40500	40500
1785846	1802821	1869030	1864533	Total Revenues & Transfers	1946280	1946280	1946280
2768889	2799446	2821400	3016250	Total Resources	3069550	3069550	3069550
				Expenditures			
1024992	998749	1047290	1088680	Personnel Services	1284050	1284050	1284050
676501	589676	796860	712666	Materials & Services	725320	725320	725320
70772	59305	65570	91630	Equipment	64570	64570	64570
	0	100000	0	Contingency/Reserves	100000	100000	100000
1772264	1647730	2009720	1892976	Total Expenditures	2173940	2173940	2173940
				Ending Fund Balance			
0	0	0	0	Building Reserve			
996626	1151717	811680	1123273	Total Ending Fund Balance	895610	895610	895610
2768889	2799446	2821400	3016249	Total Requirements	3069550	3069550	3069550
13582	155091	-140690	-28444	Net Fund Increase (Decrease)	-227660	-227660	-227660

*) The projected column is for information only

Lane Regional Air Protection Agency
2018-2019
General Fund Budget
Revenues Detail

Year 2015-2016 Actual	Year 2016-2017 Actual	Year 2017-2018 Budgeted	Year 2017-2018 Projected *		Proposed by Budget Officer	Approved By Budget Committee	Adopted by LRAPA Board
				Federal & State Revenues			
610503	585161	595430	614659	Federal Base Grant	612860	612860	612860
128682	128682	128890	133433	Oregon General Fund Contribution	133430	133430	133430
158706	165176	190180	173500	PM2.5 Monitoring Grant & Pass-thru	169000	169000	169000
897891	879019	914500	921592	Total Grants	915290	915290	915290
				Local Dues			
56300	57060	64180	64180	City of Eugene	68270	68270	68270
21590	21880	24610	24610	City of Springfield	26870	26870	26870
9460	9590	9830	9830	City of Cottage Grove	10250	10250	10250
3740	3790	3880	3880	City of Oakridge	3960	3960	3960
43340	43930	49410	49410	Lane County	52800	52800	52800
134430	136250	151910	151910	Total Local Dues	162150	162150	162150
				Permit Fees			
450893	465261	490430	478770	Air Contaminant Discharge Permit Fees	547710	547710	547710
98816	70842	88220	77520	Other Permit & Reporting Fees	79070	79070	79070
134206	186070	160310	160875	Asbestos Notification Fees	167310	167310	167310
4780	2325	5000	5000	Open Burning Misc. Permit Fees	5000	5000	5000
688695	724498	743960	722165	Total Permit Fees	799090	799090	799090
				Other Revenues			
9504	14045	11460	21680	Interest	22550	22550	22550
15325	9009	6700	6686	Miscellaneous Revenues	6700	6700	6700
24830	23054	18160	28366	Total Other Revenues	29250	29250	29250
				Transfers to (from) Other Funds			
40000	40000	40500	40500	To (From) Other Funds	40500	40500	40500
1785846	1802821	1869030	1864533	TOTAL REVENUES & TRANSFERS	1946280	1946280	1946280

*) The projected column is for information only

Lane Regional Air Protection Agency
2018-2019
General Fund Budget
Expenditures & Transfers Detail

Year 2015-2016 Actual	Year 2016-2017 Actual	Year 2017-2018 Budgeted	Year 2017-2018 Projected *		Proposed by Budget Officer	Approved By Budget Committee	Adopted by LRAPA Board
				Personnel			
804778	714666	707770	758263	Salaries	887680	887680	887680
92436	114780	136630	120430	LRAPA Benefit Plan	161810	161810	161810
64088	110412	117890	124987	Other Fringe Benefits	149560	149560	149560
63690	58890	85000	85000	DEQ Remote Operators	85000	85000	85000
1024992	998749	1047290	1088680	Total Personnel	1284050	1284050	1284050
				Materials & Services			
22486	16237	40880	19530	Computer Supplies	25400	25400	25400
13917	14766	18590	24860	Office Supplies	21780	21780	21780
0	0	1500	1000	Advertisement & Displays	1500	1500	1500
94259	54408	129220	90220	Lab Supplies & Studies	90740	90740	90740
11546	9179	14000	10945	Postage	11950	11950	11950
16794	21980	18000	18400	Insurance	23880	23880	23880
7964	12818	13740	14019	Printing	13300	13300	13300
2203	2617	4500	4940	Public Notices	4950	4950	4950
4648	8269	9300	9838	Telephones	9610	9610	9610
4728	6760	8660	13125	Utilities	12300	12300	12300
72	122	1500	600	Publications	1560	1560	1560
4756	5734	7500	6900	Training	7500	7500	7500
370416	320567	340000	340000	Grant Contracts (Pass-thru)	340000	340000	340000
3001	5003	8680	9208	Professional Dues	9300	9300	9300
29916	27691	59830	38450	Contractual Services	39150	39150	39150
8201	8234	8860	7950	Bank Charges	8350	8350	8350
23796	16931	40350	40739	Public Education	39600	39600	39600
8962	8783	15250	9884	Shop Rent	15250	15250	15250
7020	10207	11870	12724	Repairs of Buildings & Equipment	12680	12680	12680
9276	8399	6500	9897	Building Maintenance	7280	7280	7280
11639	10173	11250	7237	Vehicle Operating Expense	6280	6280	6280
10089	7286	8990	8787	Fares/Transportation	8900	8900	8900
10814	13509	17890	13413	Food, Lodging & Sustenance	14060	14060	14060
676501	589676	796860	712666	Total Materials & Services	725320	725320	725320

*) The projected column is for information only

Lane Regional Air Protection Agency
2018-2019
General Fund Budget
Expenditures & Transfers Detail
(Continued)

Year 2015-2016 Actual	Year 2016-2017 Actual	Year 2017-2018 Budgeted	Year 2017-2018 Projected *
0	0	0	0
70772	59305	65570	91630
70772	59305	65570	91630
0	0	100000	0
1772264	1647730	2009720	1892976

Capital & Debt Service

Operating Transfers
Capital Exp. & Equipment

Total Capital & Debt Service

Contingency

0 General Contingency/Equip. Replacement Reserves

TOTAL EXPENDITURES

Proposed by Budget Officer	Approved By Budget Committee	Adopted by LRAPA Board
0	0	0
64570	64570	64570
64570	64570	64570
100000	100000	100000
2173940	2173940	2173940

*) The projected column is for information only

Lane Regional Air Protection Agency

2018-2019

Title V

Budget Summary

Year 2015-2016 Actual	Year 2016-2017 Actual	Year 2017-2018 Budgeted	Year 2017-2018 Projected *
563186	580659	375260	490957
563186	580659	375260	490957
559379	450915	478770	460159
559379	450915	478770	460159
1122565	1031574	854030	951116
466321	488165	582650	542150
60586	37452	81420	78881
0	0	0	0
0	0	0	0
	0	0	0
526906	525617	664070	621031
15000	15000	15000	15000
541906	540617	679070	636031
580659	490957	174960	315082
1122565	1031574	854030	951113
17473	-89702	-200300	-175872

Proposed by Budget Officer	Approved By Budget Committee	Adopted by LRAPA Board
Beginning Fund Balance		
315080	315080	315080
315080	315080	315080
Revenues		
493360	493360	493360
493360	493360	493360
808440	808440	808440
Expenditures		
497810	497810	497810
75560	75560	75560
573370	573370	573370
15000	15000	15000
588370	588370	588370
Ending Fund Balance		
220070	220070	220070
808440	808440	808440
-95010	-95010	-95010

*) The projected column is for information only

Lane Regional Air Protection Agency

2018-2019

**Title V Budget
Revenues Detail**

Year 2015-2016 Actual	Year 2016-2017 Actual	Year 2017-2018 Budgeted	Year 2017-2018 Projected *
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Proposed by Budget Officer	Approved By Budget Committee	Adopted by LRAPA Board
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				<u>Permit Fees</u>			
559379	450915	478770	460159	Title V Fees	493360	493360	493360
559379	450915	478770	460159	Total Revenues	493360	493360	493360

Expenditures & Transfers Detail

				<u>Personnel</u>			
351644	370280	430780	406727	Salaries	367410	367410	367410
59316	59936	81160	70181	LRAPA Benefit Plan	70110	70110	70110
55360	57949	70710	65242	Other Fringe Benefits	60290	60290	60290
466321	488165	582650	542150	Total Personnel	497810	497810	497810

Materials & Services

1284	870	4290	3450	Computer Supplies	3950	3950	3950
14985	10120	19790	19090	Office/Lab Supplies	15340	15340	15340
2000	1540	5000	4300	Postage	5000	5000	5000
3400	0	6000	5750	Insurance	4000	4000	4000
2501	1650	2750	5916	Printing	2580	2580	2580
832	0	1000	500	Public Notices	1000	1000	1000
2366	1077	2700	2361	Telephones	2400	2400	2400
6055	5310	3500	1945	Utilities	2200	2200	2200
0	0	500	500	Publications	500	500	500
1685	1145	2330	1573	Training	1700	1700	1700
1301	171	1000	950	Professional Dues	800	800	800
6227	6233	10300	10340	Contractual Services	10300	10300	10300
2623	684	4000	3670	Public Education Supplies	3700	3700	3700
3324	1701	3000	3840	Repairs of Buildings & Equipment	3500	3500	3500
1117	1323	1500	1406	Building Maintenance	1750	1750	1750
3137	1073	2100	2050	Vehicle Operating Expense	1950	1950	1950
1378	1707	2530	2300	Fares	5060	5060	5060
6373	2849	9130	8940	Food, Lodging & Sustenance	9830	9830	9830
60586	37452	81420	78881	Total Materials & Services	75560	75560	75560

*) The projected column is for information only

Lane Regional Air Protection Agency

2018-2019

Title V Fund Budget

Expenditures & Transfers Detail

(Continued)

Year 2015-2016 Actual	Year 2016-2017 Actual	Year 2017-2018 Budgeted	Year 2017-2018 Projected *
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Proposed by Budget Officer	Approved By Budget Committee	Adopted by LRAPA Board
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<u>Contingency</u>							
0	0			General Contingency/Equipment Replacement Rese	0	0	0
<u>526906</u>	<u>525617</u>	<u>664070</u>	<u>621031</u>	TOTAL EXPENDITURES	<u>573370</u>	<u>573370</u>	<u>573370</u>
				Transfers to (from) Other Funds			
15000	15000	15000	15000	To (From) Other Funds	15000	15000	15000

*) The projected column is for information only

Lane Regional Air Protection Agency

2018-2019

Airmetrics

Budget Summary

Year 2015-2016 Actual	Year 2016-2017 Actual	Year 2017-2018 Budgeted	Year 2017-2018 Projected *
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Proposed by Budget Officer	Approved By Budget Committee	Adopted by LRAPA Board
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878762	904087	795280	919652
678479	665889	723080	673151
0	0	2000	2000
2000	2700	4020	3943
83443	97242	90810	85075
20100	25762	26490	26494
784023	791593	846400	790663
1662785	1695679	1641680	1710315

Beginning Net Position/Fund Balance	881280	881280	881280
Sampler Sales	701610	701610	701610
Filter Services	2000	2000	2000
Sampler Rentals	4020	4020	4020
Sales of Parts/Accessories	87630	87630	87630
Interest, Misc & Freight Revenue	26490	26490	26490
Total Revenues	821750	821750	821750
TOTAL RESOURCES	1703030	1703030	1703030

141818	142076	165710	145660
0	0	0	0
569719	523733	637110	606581
4402	2894	5000	5000
1770	28866	16500	16500
15989	28458	33240	29797
0	0	0	0

Personnel Services	151500	151500	151500
Licensing Fees	0	0	0
Materials & Services	631390	631390	631390
Consultants/Research & Development	35000	35000	35000
Equipment/Depreciation	57500	57500	57500
General & Administrative	47450	47450	47450
Contingency	10000	10000	10000

733698	726027	857560	803538
25000	25000	25500	25500

Total Expenditures	932840	932840	932840
Transfers to (from) Other Funds	25500	25500	25500

758698	751027	883060	829038
25325	40565	-36660	-38375
904087	919652	758620	881277
1662785	1670679	1641680	1710315

Total Expenditures and Transfers	958340	958340	958340
Change in Net Position/Fund Balance	-136590	-136590	-136590
Ending Net Position/Fund Balance	744690	744690	744690
TOTAL REQUIREMENTS	1703030	1703030	1703030

*) The projected column is for information only

Lane Regional Air Protection Agency (LRAPA)
ANNUAL BUDGET REPORT
For the Fiscal Year Ending June 30, 2019

EXECUTIVE SUMMARY

Budget Scope

This Executive Summary is submitted for review and consideration of the LRAPA Budget Committee for the FY 2018-2019 budget cycle. LRAPA operates within the budget requirements for local governments as specified by the State of Oregon budget law (a copy of the 9-step budget process is appended). Budget administration and management is the process of regulating expenditures during the fiscal year to ensure that they do not exceed authorized amounts and that they are used for intended, proper, and legal purposes.

There are three funding categories for which this budget is based. The following schedule provides an overview of the budgeted appropriations in each of the funds:

General Fund. The general fund is inclusive of the following sources:

- Permit fees from air contaminant discharge permits (ACDP);
- Federal Environmental Protection Agency (EPA) CAA 105 base grant;
- EPA special funding for PM-2.5 monitoring (CAA 103);
- Local intergovernmental partners funding support;
- State general fund support;
- NW Air Quest Funding (pass-through from PNW states to UW and WSU);
- Interest income; and
- Other small permit fee sources.

Special Purpose Funds. There is one source within this category that meets the definition of a special purpose fund during this budget cycle:

- Title V permit fees from large industrial emission sources are expended for the specific purposes of this program.

Enterprise Funds. During FY 2019 LRAPA will operate one Enterprise revenue source:

- AirMetrics.

Budget Development Process

The following is a description of the procedure leading from review to adoption of the budget for the new fiscal year.

1. The LRAPA management team developed goals and estimated staffing levels based on priorities established by the LRAPA Board in 2007. These priorities were updated at the conclusion of the strategic planning process and annually thereafter.
2. The Director and Finance Manager determined the projects that LRAPA can fund through the funding sources and revenues projected to be available during FY2019.

3. The Budget Officer (Finance Manager) has prepared and presents the proposed budget for all funds to the Budget Committee (i.e., LRAPA Board plus nine board-appointed citizens) for approval by March 10, 2018.
4. After a public hearing has been held, the Board of Directors of LRAPA by resolution legally adopts a budget during the May meeting of Board of Directors (or prior to July 1 as required by the State of Oregon budget law).
5. Once adopted, the budget can be amended up to 10% of the appropriations by subsequent Board actions; however, increases beyond the 10% (in aggregate) of the appropriations require a public hearing prior to amending the budget.
6. Any adjustments in estimated revenue and revisions of appropriations due to operational changes in categorical program funding may be approved by the Director, with subsequent ratification by the Board. Such adjustments are integrated into a mid-year/year-end budget amendment approved by the Board.
7. A final legal budget (the original budget plus any subsequent adjustments as previously mentioned) is approved by the LRAPA Board prior to the end of the fiscal year.
8. The total budgeted expenditures of a given fund may not exceed the revenues expected to be received for the fiscal year plus the fund balance and transfers. Budgeted amounts may be adjusted within a given fund without Board approval.

Budget Basis Description

The LRAPA's fund budgets are prepared using the "modified accrual basis" of accounting. Under the modified accrual basis of accounting, revenues are recognized when they are made available.

LRAPA considers all revenues available if they are collected within 180 days after year-end. Expenditures are recorded when the related fund liability is incurred. Exceptions include; unmatured interest on general long-term debt, which is recognized when due; and, certain compensated absences which are recognized when these obligations are liquidated with available financial resources.

Budgets for the Enterprise Funds and the Special Purpose Funds are prepared using the same modified accrual basis of accounting.

Encumbrance accounting, under which purchase orders for goods and services are recorded in order to restrict that portion of the applicable appropriation, and used to facilitate comparisons with budgets in all funds.

Expenditure Classifications

Salaries. Salaries constitute the major portion of expenditures in LRAPA's Budget. The salary line items in the budget reflect an increase of 2% for the upcoming fiscal year to keep LRAPA salaries competitive with similar municipal, county and other air quality agencies. As it was demonstrated during FY'2012 budget presentation, there is a growing gap between the salaries of LRAPA and the other similar agencies.

Fringe Benefits. Benefits are comprised of payments made to the LRAPA's 401k retirement plan, Social Security, and unemployment insurance. The fringe benefits line item also includes the agency's Benefit Plan that covers health, dental, long-term disability (LTD) and life insurance. In previous meetings of the Board appointed Personnel Committee, the LRAPA compensation plan including the retirement plan was compared to the plans that are offered at LRAPA's local Intergovernmental partner entities (Lane County, City of Eugene, City of Springfield, City of Cottage Grove, and City of Oakridge) as well as other similar local air quality agencies and found a widening gap. Our local IGA partners, in average, contribute 12-26% to the employee retirement plans; LRAPA contributes 8% to a defined contribution plan. The health insurance premiums will increase by a projected rate of 5% and the dental insurance is expected to increase in the same range. LRAPA management team recommends a commensurate increase in the Benefit Plan line items of the budget to defray the additional cost forecasted for the year 2019.

Materials & Services. This category of expenditure is comprised of: 1) payments for those services that are provided by persons or entities not employed by LRAPA, 2) repair and maintenance of LRAPA's assets, 3) telephone, copying, and postage expenses, 4) travel and training cost, 5) the cost of day-to-day office supplies purchases and lab supplies. A major expense item that may be recorded in this category is the grant contract or special projects (pass-thru) for the special funded programs. LRAPA management has added one known special project for FY'2019 (Northwest Air Quest) and it will add any other such items at a special session of the LRAPA Board in accordance to the requirements of the Oregon Budget Laws.

Capital & Building Improvements. LRAPA records expenditures for building improvements, furniture, vehicles, and other major equipment purchase, such as lab equipment replacement is in this category. During FY'2019, LRAPA will invest \$20,000 to upgrade its desktop computers and the Windows 7 Operating System (OS) to stay ahead of the curve when the existing OS will no longer be supported by the manufacturer.

Revenue Classifications

The amount of revenues LRAPA receives has changed dramatically over the past few years. LRAPA is always looking for funding opportunities to enhance the core services of LRAPA, therefore any resources that may become available will be reflected as corresponding increases for FY 2018.

LRAPA continues to receive operating funds from EPA (base grant), the amount of this funding is determined on the basis of meeting a MOE (Maintenance of Effort) requirement or level of effort whereas LRAPA's qualified expenditures are to equal or be more than those of the previous year. LRAPA receives funding support from the local governments in Lane County, and the State's general program funding. LRAPA earns interest on funds invested while not needed to cover expenditures. LRAPA invests funds in the Local Government Investment Pool (LGIP) that is managed by the State of Oregon Treasury. The interest earnings are credited to each fund based on the cash balance of the fund during each month.

Budget Development and Administration Policies

LRAPA's General Fund budget will always be a balanced budget. The Agency's budget will provide for adequate maintenance of capital assets and equipment, and for orderly replacement of its equipment. LRAPA will continue to budget for an indirect cost within each applicable program to ensure that full cost recovery is reflected in every program LRAPA administers.

LRAPA continues to develop and administer a multi-year plan, for its General Operating and the Enterprise Fund Program(Airmetrics) that are updated annually. LRAPA will budget for major capital projects in accordance with the priorities of the agency. LRAPA will coordinate development of the capital improvement budget with the development of the operating budget.

Future costs associated with new capital improvements are and will be projected and included in the operating budgets. LRAPA will identify the estimated costs and potential funding sources for each major capital project proposal before it is submitted to the Board for approval.

LRAPA continues to include revenues with actual facts when it is available and use an analytical process to estimate other revenues. LRAPA will not include any revenue in the budget that cannot be verified with assurance of its source and amount. LRAPA will set fees in its Enterprise and Special Purpose Funds at a level that fully supports the total direct and indirect costs of the activity.

Fund Balance and Reserve Policy

During 2013 LRAPA Board adopted a policy to maintain a goal of 120 days in fund balance, however, in order to maintain and protect the long-term financial capacity of LRAPA, the fund balance and reserves in the General Fund and the Special Purpose Funds will be maintained at appropriate levels. It is the goal of LRAPA to increase its fund balance in the General Fund closer to the limits recommended by the agency's auditors (i.e., balance equivalent to between 90 to 180 days of expenditures). LRAPA staff will use a dashboard indicator, as part of the monthly financial reports, to inform the Board the days in fund balance (e.g., Green is to indicate fund balance at 120 days or above, Yellow is to indicate fund balance between 90 to 120 days and the red zone for anytime that the Reserves are at 90 days or below).

Budget Highlights and Major Budget Objectives

Compensation Issues. In consideration of the current budget constraints, every effort was made by the LRAPA's financial management team to avoid deterioration in the current LRAPA's employee compensation package. To further stay competitive in the job market and be within the range of other similar air quality agencies, there is included a 2% Market Rate

adjustment in all salaries for FY2019. These steps are intended to ensure the agency has the ability to recruit and retain a highly qualified staff.

Insurance Premiums. The insurance premiums for health and dental are projected to increase by an average of 5%. Consequently, LRAPA's benefit plan is increased commensurate to the actual premium increases to offset this additional cost.

Staff Positions. The number of staff positions and full-time equivalents (FTEs) has steadily declined from FY'2008 to that of FY'2018. For comparison, the budgeted FTE in FY'2008 was 23.36 FTE as compared to 15.1 FTE for FY'2018. The proposed budget for FY'2019 will account for a staff complement that includes 16.19 FTE for a combination of fulltime and permanent or temporary part-time positions. The additional position is designed to complement the staffing for permitting for 1 FTE to try and catch up the permitting backlog. As it was discussed at the January 2018 board meeting, the number of positions is determined where it can meet the 5-year budget targets. Furthermore, LRAPA management will continue to use a measured approach to fill positions after position vacancies. As LRAPA did during 2015 and 2016, the process included a thorough evaluation, aimed to fulfill and further the core mission of the agency. A thoughtful and deliberate delay in filling vacant positions created vacancy credits that in turn helped in preserving the reserves at the desired levels and with the further aim to sustain the FTE level beyond a one-year budget cycle.

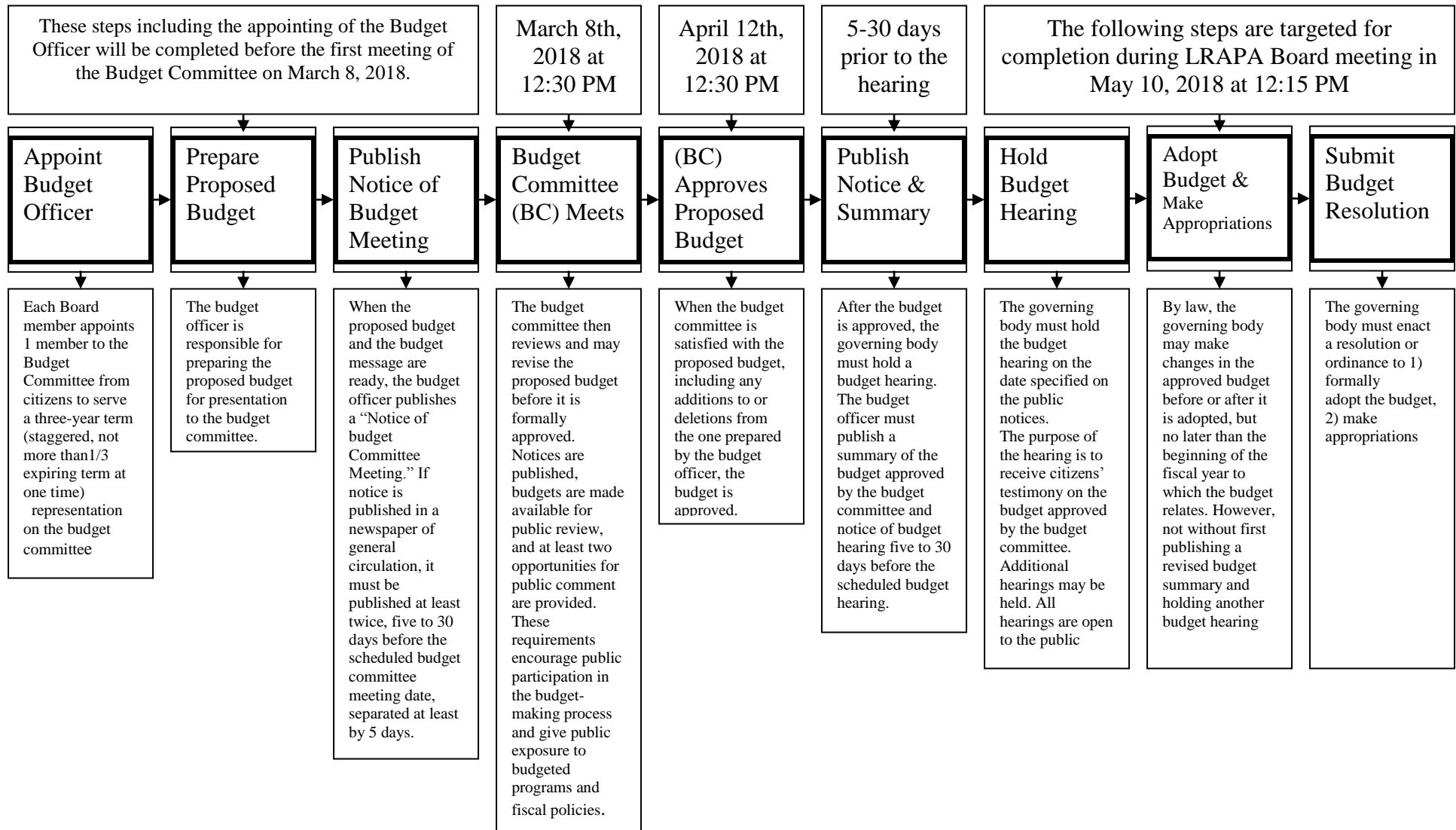
Other Assumptions. Title V fees for FY'19 are inclusive of the projected number of sources with current fee base to increase by the CPI factor of 2%. These fees are adopted by reference in accordance to the State Department of Environmental Quality. The ACDP fees are to increase by a one-time 10% and with the inclusion of a projected annual increase of same 4% for fiscal year 2019.

Air Toxics Monitoring Program. During the 2014-2015 budget process the LRAPA Board approved a total of \$130,000 in funding to support the Air Toxics monitoring initiative with the long-term goal of conducting ambient air toxics monitoring every third year to coincide with the National-scale Air Toxics Assessment (NATA) by the U.S. Environmental Protection Agency. In order to accomplish that goal, the proposed LRAPA Budget for FY'2019 includes amounts needed to conduct the laboratory analysis for the second six months for the period from July to December 2018. As it was for FY'2018, the fiscal year 2019 proposed budget includes necessary funds to help in investigating and further assessing the findings of the 2015 air toxics monitoring study.

Long Term Planning and its Budget Impacts. The proposed budget addresses the current LRAPA priorities. The LRAPA strategic plan will help to guide LRAPA's limited resources and it restricts any additional projects that will have adverse future budgetary implications.

Nasser Mirhosseyni 3/08/2018

The 9 Steps of Budget Process



The following are the primary steps each local government must consider:

- The budget officer prepares a proposed budget.
- Notice of the budget committee meeting is published.
- The budget document is made available at or before the budget committee meeting at which the budget is presented.
- The budget committee conducts at least one public meeting for receiving the budget message and the budget document as well as providing opportunity for public questions or comments.
- The budget committee approves the budget.
- Notice of the public hearing and a summary of the approved budget are published.
- The governing body conducts a public hearing on the approved budget.
- The governing body, after public comment and deliberations, adopts the budget and enacts resolutions or ordinances accordingly by June 30.