

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
939 ELLIS STREET
SAN FRANCISCO, CALIFORNIA 94109**

APPROVED MINUTES

Summary of Board of Directors
Budget & Finance Committee Meeting
9:30 a.m., Wednesday, February 26, 2003

1. **Call to Order:** Chairperson Miller called the meeting to order at 9:34 a.m.

Roll Call: Julia Miller, Chair, Harold Brown, Roberta Cooper, Chris Daly, Jerry Hill, Marland Townsend.

Absent: Jake McGoldrick, Dena Mossar, Pam Torliatt.

Also Present: Scott Haggerty, Mark Ross, Gayle Uilkema.

2. **Public Comment Period:** There were none.

3. **Approval of Minutes of December 11, 2002:** Director Townsend moved approval of the minutes; seconded by Director Hill; carried unanimously by acclamation, with Director Cooper and Director Miller abstaining.

Chairperson Miller thanked Mr. Haggerty for appointing her Chair of this Committee and welcomed Director Daly as its Vice-Chair. Chairperson Miller extended her thanks to Teresa Lee, Director of Public Information, for her support on the Public Outreach Committee and congratulated Director Ross for taking over as Chairperson of that Committee.

4. **Second Quarter Financial Report for Fiscal Year 2003:** *The Financial report for the Second Quarter of Fiscal Year 2002/2003 was presented. This is an informational item only.*

Wayne Tanaka, Director of Administrative Services, presented the report and reviewed the General Fund Budget Statement of Revenue, Statement of Expenditures and the Transportation Fund for Clean Air Fund Statement of Income and Expenditures. Mr. Tanaka highlighted the Comparison of Budget to Actual Revenue and Comparison of Budget to Actual Expenditures.

Committee Action: None, this report submitted for information only.

5. **Consider Request to Increase Fiscal Year 2002/2003 Budget:** *The Committee considered approval of the staff request that the District's FY 02/03 budget be increased to reflect additional Penalty and Settlement revenue received (\$1,020,000), and an estimated increase of \$990,000 to county revenue. Staff also requested FY 02/03 budget increases to Capital*

Expenditure accounts in the following Divisions: Technical Services \$554,645, Administrative Services \$432,355 – 20 Hybrid vehicles, \$528,000 for additional HVAC upgrade work and Information System Services \$495,000.

Mr. Tanaka presented the report and stated that the District will receive some unexpected additional funds that were not anticipated during the fiscal year 2002/2003 budget process. The receipt of these funds should be recognized in a mid-year budget adjustment. The adjustment of \$1,020,000 in the Penalty and Settlement revenue budget is a one-time event. The adjustment to County revenue is based on increased values of residential real estate activity in certain Bay Area cities and counties. Mr. Tanaka stated that the District would like to purchase some capital items this year and that it is prudent to make these purchases this year.

Mr. Tanaka reviewed the capital items to be purchased, which include 20 Hybrid vehicles (\$432,355), HVAC work (\$528,000), air monitoring equipment for Technical Services (\$554,645), and ERP related software and hardware for ISS (\$495,000).

There was discussion on the District's automobile lease program with Enterprise; the issue of high-mileage vehicles; the safety of the Hybrid vehicles; and the technology of the air monitoring equipment being current. The Committee requested that staff provide a report on the District's lease program for vehicles versus purchasing vehicles. There was also a discussion on the status of the District's reserves.

Committee Action: Director Hill moved that the Committee recommend that the Board of Directors approve staff's recommendation to increase the District's FY 02/03 Budget; seconded by Director Cooper.

During discussion, Director Daly reminded staff to prepare a report on fleet lease versus purchase and look at some air quality data (hybrid vs. electric vehicles vs. CNG's etc.). The motion then carried unanimously by acclamation.

6. **Consider Request to Participate on Oversight Executive Committee of the Regional Goods Movement Study and Financial Support in the Amount of \$50,000:** *The Committee considered approval of request from the Metropolitan Transportation Commission, the Regional Transportation Initiative Employer Coalition, and the Economic Development Alliance for Business to participate on the Oversight Executive Committee of the Regional Goods Movement study and a financial contribution to provide for this expenditure in the amount of \$50,000. Approval of a transfer of funds from Professional Services Program 104 was also requested.*

Committee Action: Director Townsend moved that the Committee approve the staff recommendation; seconded by Director H. Brown; carried unanimously by acclamation.

7. **Consider Funding Feasibility Study for Traveling Air Quality Education Program for Youth:** *The Committee considered approval of staff request to fund a \$19,500 contract with Communications West to research the feasibility of a mobile exhibit and education program for youth. The feasibility study will address costs and possible sources of funding for this program.*

Committee Action: Director Townsend moved that the Committee approve the staff recommendation; seconded by Director H. Brown; carried unanimously by acclamation.

8. **Consider and Discuss Personalized Versions of Air Currents:** *The Committee considered the financial feasibility of directing staff to prepare personalized versions of the District's Air Currents publication.*

Teresa Lee, Director of Public Information and Outreach, presented the report and reviewed the Metropolitan Transportation Commission (MTC) publication, the number of staff and time needed, and the Fair Political Practices Commission (FPPC) limit of up to 200 per Board member. Ms. Lee stated that it would cost about \$66,000 for the Air District to produce the personalized versions of *Air Currents* (1/2 a staff person, plus printing costs).

After discussion, the Committee came to a consensus that a recommendation be made to the Board that the District not incur the \$66,000 expense at this time for personalized versions of *Air Currents*.

9. **Committee Member Comments/Other Business.** Director Townsend discussed information he saw on Stored Hydraulic Energy Processing (SHEP) that is being worked on by the Ford Motor Company.
10. **Time and Place of Next Meeting:** 9:30 a.m., Wednesday, March 26, 2003, 939 Ellis Street, San Francisco, CA.
11. **Adjournment:** The meeting adjourned at 10:40 a.m.

Mary Romaidis

Mary Romaidis
Clerk of the Boards

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BUDGET & FINANCE COMMITTEE

Follow-up Items for Staff

February 26, 2003

1. The Committee requested that staff provide a report on the District's lease program for vehicles versus purchase vehicles; including air quality data.
2. The Committee requested that staff research insurance statistics of the Hybrid vehicles with respect to how safe they are and what happens when they are in a head-on collision.