

**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, September 24, 2003

1. **Call to Order:** Chairperson Miller called the meeting to order at 9:35 a.m.

Roll Call: Julia Miller, Chair, Harold Brown, Chris Daly (9:40 a.m.), Jerry Hill.

Absent: Roberta Cooper, Marland Townsend, Gayle Uilkema.

Also Present: Scott Haggerty.

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

3. **Approval of Minutes of May 7, 2003:** Director Hill moved approval of the minutes; seconded by Director H. Brown; carried unanimously by acclamation.

4. **Fourth Quarter Financial Report for Fiscal Year 2002/2003:** *The Financial Report for the Fourth Quarter of Fiscal Year 2002/2003 was presented.*

Wayne Tanaka, Director of Administrative Services, presented the Fourth Quarter Financial Report for Fiscal Year 2002/2003 and stated that the revenue exceeded expenditures and that the District was under budget with expenditures. Mr. Tanaka reviewed the Statement of Revenue and Statement of Expenditures comparing the budget to actual. Mr. Tanaka noted that the Federal Grants Revenue was 146% of budgeted revenue because items from the prior year are included in the figure. Mr. Tanaka reported that the District had not anticipated the higher interest rates that were received and noted that the investments made by the San Mateo County Treasurer performed better than LAIF.

In reviewing the Statement of Expenditures, Mr. Tanaka noted that the Capital Outlay was at 65% of the estimated expenditures. This is due, in part, to the following:

- 1) Several contracts came in under budget.
- 2) The roof repairs were not done.
- 3) Construction on modeling projects was delayed.
- 4) Of the 20 Prius' the Board approved, payments were made on the 14 that were delivered.
- 5) Due to demand exceeding available supply, six 2003 Prius models were not delivered.

Mr. Tanaka reviewed the income and expenditures of the Transportation Fund for Clean Air (TFCA) fund. In response to a question from Director Brown, Mr. Tanaka commented that

there are a set of specific reserves for the Interest Income receipts, which was done when the Board passed the budget. Mr. Tanaka also noted that the unreserved portion could be used for any future loss of subvention funds. There was some discussion on revenue received from penalties and that there has been an increase in collecting the fines.

Committee Action: None. This report provided for information only.

5. **Proposed Amendments to District Administrative Code, Division II Fiscal Policies and Procedures:** *The Committee considered staff recommendation to amend Administrative Code, Division II: Fiscal Policies and Procedures. In keeping with best fiscal and business practices, a review of these policies and procedures is appropriate.*

Mr. Tanaka presented the report and stated that this section of the Administrative Code was last amended in 1998 and some parts have not been changed since 1993. A review of practices for other large air quality districts shows that this Air District is not as current as the others in some areas. Some of the proposed changes will increase or eliminate threshold limits. Mr. Tanaka noted that approval of the proposed amendments will streamline the fiscal, purchasing, and contracting process of the District and is in line with the practices of other large air quality management districts.

Committee Action: Director Brown moved the staff recommendation to recommend that the Board of Directors give notice in the Agenda for the October 1, 2003, Regular Meeting of the Board of Directors to consider amendments to Administrative Code Division II, Fiscal Policies and Procedures; seconded by Director Haggerty.

During discussion, William C. Norton, Executive Officer/APCO, noted that these changes would make it easier for staff and the Board. It is staff's responsibility to follow the procedures and rules and the Board would not give up any oversight.

Mr. Tanaka advised the Committee that there was an error on page 9 of the report as follows: Item (i) under (c)(3) should be deleted and item (ii) would then be changed to item (i). The motion was amended to accept the changes to correct the error on page 9 of the report. The motion passed unanimously without objection.

6. **Committee Member Comments/Other Business.** There were none.
7. **Time and Place of Next Meeting:** The October 22, 2003 meeting was cancelled. The next meeting of the Committee will be at the Call of the Chair.
8. **Adjournment:** The meeting adjourned at 10:00 a.m.

Mary Romaidis
Clerk of the Boards

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