



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

BOARD OF DIRECTORS
BUDGET AND FINANCE COMMITTEE MEETING

COMMITTEE MEMBERS

JULIA MILLER -CHAIRPERSON - CHRIS DALY - VICE CHAIRPERSON
HAROLD BROWN ROBERTA COOPER
JERRY HILL PATRICK KWOK
MARLAND TOWNSEND GAYLE UILKEMA

WEDNESDAY
FEBRUARY 25, 2004
9:45 A.M.

4TH FLOOR
CONFERENCE ROOM

AGENDA

1. **CALL TO ORDER - ROLL CALL**
2. **PUBLIC COMMENT PERIOD** (*Public Comment on Non-Agenda Items Pursuant to Government Code § 54954.3*) Members of the public are afforded the opportunity to speak on any agenda item. All agendas for regular meetings are posted at District headquarters, 939 Ellis Street, San Francisco, CA, at least 72 hours in advance of a regular meeting. At the beginning of the regular meeting agenda, an opportunity is also provided for the public to speak on any subject within the Board's authority. Speakers will be limited to five (5) minutes each.
3. **APPROVAL OF MINUTES OF DECEMBER 16, 2003**
4. **DISCUSSION OF GOVERNOR'S PROPOSED BUDGET** **W. Tanaka/5066**
wtanaka@baaqmd.gov
Staff will present a summary of the Governor's Proposed Budget.
5. **SECOND QUARTER FINANCIAL REPORT FOR FISCAL YEAR 2003/2004** **W. Tanaka/5066**
wtanaka@baaqmd.gov
The Financial Report for the Second Quarter of Fiscal Year 2003/2004 will be presented. This will be an informational item only.
6. **REQUEST APPROVAL OF TRANSFER OF FUNDS FROM RESERVE FOR CONTINGENCIES FOR LAWN MOWER BUYBACK PROGRAM** **P. Hess/4971**
phess@baaqmd.gov
Request approval to transfer \$135,000 from the Reserve for Contingencies to fund the Lawn Mower Buyback Program.
7. **COMMITTEE MEMBER COMMENTS/OTHER BUSINESS**
Any member of the Board, or its staff, on his or her own initiative or in response to questions posed by the public, may: ask a question for clarification, make a brief announcement or report on his or her own activities, provide a reference to staff regarding factual information, request staff to report back at a subsequent meeting concerning any matter or take action to direct staff to place a matter of business on a future agenda. (Gov't Code § 54954.2)
8. **TIME AND PLACE OF NEXT MEETING – MARCH 24, 2004 939 ELLIS STREET - SF, CA**
9. **AJOURNMENT**

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

DRAFT MINUTES

Summary of Board of Directors
Budget & Finance Committee Meeting
9:30 a.m., Tuesday, December 16, 2003

1. **Call to Order:** Chairperson Miller called the meeting to order at 9:41 a.m.

Roll Call: Julia Miller, Chair; Roberta Cooper (9:46 a.m.), Marland Townsend.

Absent: Harold Brown, Chris Daly, Jerry Hill, Gayle Uilkema.

Also Present: Pam Torliatt.

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

3. **Approval of Minutes of September 24, 2003:** Due to the lack of a quorum, approval of the minutes was deferred.

4. **First Quarter Financial Report for Fiscal Year 2003/2004:** *The Financial Report for the First Quarter of Fiscal Year 2003/2004 was presented. This was an informational item only.*

Wayne Tanaka, Director of Administrative Services, presented the First Quarter Financial Report for Fiscal Year 2003/2004. Mr. Tanaka reviewed the Statement of Revenue and Statement of Expenditures comparing the budget to actual. Mr. Tanaka noted that the interest earned on the money on deposit with the San Mateo County Treasurer was 2.83% as compared to 1.68% for the LAIF rate. The District received \$84,000 from Tesoro which is why the Miscellaneous Revenue is so high at this time. In reviewing the Statement of Expenditures, Mr. Tanaka noted that the Capital Outlay would even out as the roof repair, HVAC system and other expenditures are completed.

Mr. Tanaka reviewed the income and expenditures of the Transportation Fund for Clean Air (TFCA) fund. In response to a question from Chairperson Miller, Mr. Tanaka explained the 14% variance on expenditures for the General Fund was due to an extra pay period in August and the additional expenditure of \$90,000 for payroll during this one cycle. In response to a question from Director Townsend, Mr. Tanaka explained that the variance for the Personnel Expenditures in the TFCA program is due to several unfilled positions.

During discussion, Mr. Tanaka stated that the Governor will have a budget briefing on January 10, 2004 and more information will be available at that time regarding the extent of any additional cuts that would affect the Air District.

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

5. **Request Approval of Purchase Order for Office Furniture, Cubicle Partitions and Transfer of Funds from Furniture Reserve:** *Requested approval of transfer of funds from the Furniture Reserve and purchase order to Allsteel for workstation partitions and furniture in the amount of \$105,825.*

Mr. Tanaka presented the report and stated that staff is requesting approval of \$105,825 for the purchase of furniture and the transfer of the funds from the Furniture Reserve and noted that there would be no impact on the current budget. Mr. Tanaka stated that the purchase is necessary because the Field Engineering Section from the Compliance and Enforcement Division will be relocating to the Engineering Division, which necessitated the creation of workstations for the affected staff. In addition, some new workstations needed to be created, and others needed replacement.

Committee Action: Due to the lack of a quorum, the Committee forwarded this item to the full Board without a recommendation

6. **Committee Member Comments/Other Business.** There was discussion on the start time of the meetings and a determination was made to start future meetings at 9:45 a.m.
7. **Time and Place of Next Meeting:** 9:45 a.m., Wednesday, January 28, 2004.
8. **Adjournment:** The meeting adjourned at 10:03 a.m.

Director Daly arrived, which constituted a quorum for the Committee, therefore Chairperson Miller reconvened the meeting at 10:04 a.m.

1. **Roll Call:** Julia Miller, Chair; Roberta Cooper, Chris Daly, Marland Townsend.

Absent: Harold Brown, Jerry Hill, Gayle Uilkema.

2. **Public Comment:** There were none.
3. **Approval of Minutes of September 24, 2003:** Director Townsend moved approval of the minutes; seconded by Director Cooper; carried unanimously without objection.
4. **First Quarter Financial Report for Fiscal Year 2003/2004:**

Mr. Tanaka reviewed the First Quarter Financial Report for Director Daly.

5. **Request Approval of Purchase Order for Office Furniture, Cubicle Partitions and Transfer of Funds from Furniture Reserve.**

Mr. Tanaka reviewed the need for the purchase of the furniture and cubicle partitions.

Committee Action: Director Townsend moved approval of the staff recommendation for Board approval of a purchase order to Allsteel in the amount of \$105,825, a transfer of funds in that amount from the Furniture Reserves, and amend the fiscal year 2003/2004 Capital Budget; seconded by Director Cooper.

In response to a question from Chairperson Miller, Mr. Tanaka stated that the District looked at one company in Oakland that had some used furniture, but that the furniture was not in good shape. Mr. Tanaka noted that Allsteel has a history with the Air District, its furniture is build to military specs, and they came in with the best bid. The motion then carried unanimously without objection.

6. **Committee Member Comments/Other Business:** There were none.
7. **Time and Place of Next Meeting:** 9:45 a.m., Wednesday, January 28, 2004.
8. **Adjournment:** The meeting adjourned at 10:13 a.m.

Mary Romaidis
Clerk of the Boards

mr

BAY AREA AIR QUALITY MANGEMENT DISTRICT
Interoffice Memorandum

To: Chairperson Miller and Members
of the Budget and Finance Committee

From: Wayne Tanaka
Director of Administrative Services

Date: January 26, 2004

Re: Discussion of Governor's Proposed Budget

RECOMMENDED ACTION:

Informational report. Receive and file.

DISCUSSION

On January 10, 2004, Governor Schwarzenegger released his initial budget proposal for the 2004-2005 Fiscal Year. The final budget will not be adopted until June 15, 2004 and will likely be adopted several weeks or months later. The January 10, 2004 proposed budget was the first indication of what programs cuts the new Governor will make. The proposed budget will, however, be adjusted at the May revise. Staff will review the January 10, 2004 budget and discuss with the committee.

BUDGET CONSIDERATION/FINANCIAL IMPACT

No impact on current year budget. See above discussion.

Respectfully submitted,

Wayne Tanaka
Director of Administrative Services

Prepared by: Wayne Tanaka

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BAY AREA AIR QUALITY MANGEMENT DISTRICT

Interoffice Memorandum

To: Chairperson Miller and Members
of the Budget and Finance Committee

From: Wayne Tanaka
Director of Administrative Services

Date: February 11, 2004

Re: Second Quarter Financial Report

RECOMMENDED ACTION:

Informational report. Receive and file.

DISCUSSION

GENERAL FUND BUDGET: STATEMENT OF REVENUE

Comparison of Budget to Actual Revenue

- County Revenue receipts were \$7,588,676 (49%) of budgeted revenue. Three counties accounted for most of the receipts, Santa Clara at \$1,770,533, Alameda at \$1,592,024 and San Mateo at \$1,086,424.
- Permit Fee receipts were \$11,861,760 (69%) of budgeted revenue.
- Asbestos Fees were \$704,362 (55%) of budgeted revenue.
- Penalties and Settlements receipts were \$1,281,722 (75%) of budgeted revenue.
- CMAQ receipts were \$666,785 (54%) of budget.
- State Subvention was \$855,000 (46%) of budget.
- Interest Income receipts were \$306,433 (65%) of budgeted revenue.
- Miscellaneous Revenue was \$190,118 (109%) of budgeted revenue.

GENERAL FUND BUDGET: STATEMENT OF EXPENDITURES

Comparison of Budget to Actual Expenditures

- Salaries and Benefits were \$14,020,878 (46%) of estimated expenditures.
- Operational Services and Supplies were \$3,262,617 (36%) of estimated expenditures.
- Capital Outlay was \$989,436 (35%) of estimated expenditures.

TFCA FUND: STATEMENT OF INCOME AND EXPENDITURES

- Total Revenue was \$1,810,452 (37%) of estimated revenue and expenditures.
- In keeping with TFCA Fund requirements, expenditures must equal revenue.
- Salary and Benefits were \$583,596 (43%) of estimated expenditures.
- Operational Services and Supplies were \$1,226,856 (34%) of estimated expenditures.

BUDGET CONSIDERATION/FINANCIAL IMPACT

No impact on current year budget.

Respectfully submitted,

Wayne Tanaka
Director of Administrative Services

Prepared by: Wayne Tanaka

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BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Interoffice Memorandum

To: Chairperson Miller and Members
of the Budget and Finance Committee

From: Teresa Galvin Lee
Director of Public Information and Outreach

Date: February 18, 2004

Re: Request Approval of Transfer of Funds from Reserve for Contingencies for Lawn
Mower Buyback Programs

RECOMMENDATION

Staff recommends that the Budget and Finance Committee approval the transfer of not more than \$135,000 from the Reserve for Contingencies to fund the Spring 2004 Lawn Mower Buyback Programs.

BACKGROUND

The Air District has coordinated lawn mower buy-back programs with local waste management agencies for the past six years. The programs offer the public the opportunity to turn in a high emitting gasoline mower and purchase a cleaner non-polluting electric, mulching mower for a discount of approximately \$100. Lawn Mower Buyback programs give the District the chance to both reduce emissions and to educate the general public on the alternatives to using gasoline powered lawn mowers. Lawn mowers at residential sites generate three tons of volatile organic compounds per summer day. Overall the programs have been well received by the public. Additional funding of \$135,000 is needed to continue the programs in 2004. The Public Outreach Committee approved continuing the programs and directed staff to bring the request to the Budget and Finance Committee for approval of the necessary funding.

DISCUSSION

This spring seven counties – Alameda, Contra Costa, Solano, Sonoma, Napa, San Mateo, and San Francisco - and the city of Sunnyvale want to partner with the Air District and have local lawn mower buy-back programs. This is the largest expression of interest in the program to date.

Staff has been working with the partners to set a tentative schedule of events. If they all take place, approximately 2400 mowers will be exchanged. With a rebate of \$100 per unit, \$70 would be provided by the Air District. Approximately \$168,000 of Air District funding would be needed. Of this amount, approximately \$35,000 is currently budgeted. To fund the programs, staff is requesting that the Budget and Finance Committee approve the transfer of not more than \$135,000 from the Reserve for Contingencies to fund the spring 2004 programs.

In addition to the Air District's funding, Home Depot and Black and Decker will contribute \$15 per mower each, for a total of \$69,000. The Yolo-Solano Air District will contribute \$5,000 to the Solano program. Local waste management agencies will provide outreach and

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advertising support, as well as help at the events themselves. The following is a tentative schedule of lawn mower buyback events for 2004:

COUNTY	DATE	TIME	LOCATION	MORE INFO
San Mateo	TBD	8:00 am - 12:00 pm	San Mateo Home Depot, 2001 Chess Dr	(650) 525-9343
San Francisco	April 24	8:00 – 12:00 PM	TBD	
Solano	April 17	8:00 am - 10:00 am	Vacaville Home Depot, 510 Orange Drive	(707) 454-0714
Contra Costa	April 10 April 17	7:00 am - 10:00 am 7:00 am - 10:00 am	San Ramon H. Depot, 2750 Crow Canyon Pittsburg Home Depot, 2300 North Park Blvd.	(925) 906-1806
Sonoma	April 26	7:00 am - 12:00 pm	Rohnert Park H. Depot, 4825 Redwood Drive	(707) 565-3375
Sunnyvale	April 10	8:00 am - 11:00 am	Sunnyvale Home Depot, 690 Kifer Road	(408) 730-7262
Napa	April 24	8:30 am - 12:00 pm	Napa Home Depot, 225 Soscol Avenue	(707) 251-0162
Alameda	TBD		Hayward	

BUDGET CONSIDERATIONS/FINANCIAL IMPACT

Partial funding for these programs (\$35,000) has been allocated in the FY 03-04 budget. Additional authorization is needed to transfer no more than \$135,000 from the Reserve for Contingencies to implement the 2004 springtime programs.

Respectfully submitted,

Teresa Lee
Director of Public Information & Outreach

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Reviewed by: Peter Hess