



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
AUGUST 4, 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 MAY 17, 2004**
4. **STATUS REPORT ON COST RECOVERY ANALYSIS**
B. Bateman/4653
bbateman@baaqmd.gov
Staff will give a status report to the Committee on the development of a request for proposal to conduct a cost recovery analysis for future budgetary utilization.
5. **CONSIDER PROPOSED AMENDMENTS TO ADMINISTRATIVE CODE SECTION 3.6 (c), DIVISION II, ADMINISTRATIVE POLICIES AND PURCHASING PROCEDURES**
W. Tanaka/5066
wtanaka@baaqmd.gov
The Committee will consider recommendation to amend Section 3.6 (c), Division II: Fiscal Policies and Purchasing Procedures of the District's Administrative Code.
6. **CONSIDER REQUEST TO AMEND FISCAL YEAR 2004/2005 BUDGET** **J. Broadbent/5052**
W. Tanaka/5066
jbroadbent@baaqmd.gov
wtanaka@baaqmd.gov
Consider approval of staff request to revise the District's FY 2004/2005 General Fund Budget as a result of a potential \$1,592,000 revenue shortfall upon approval of the State budget.
7. **STATUS REPORT OF COMMUNITY OUTREACH EFFORTS**
T. Lee/4905
tlee@baaqmd.gov
Staff will report on the resources devoted to Community and Title V Outreach meetings.

8. 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)

9. TIME AND PLACE OF NEXT MEETING – AUGUST 25, 2004, 939 ELLIS STREET - SF, CA

10. ADJOURNMENT

**CONTACT CLERK OF THE BOARDS - 939 ELLIS STREET
SAN FRANCISCO, CA 94109**

**(415) 749-4965
FAX: (415) 928-8560
BAAQMD homepage:
www.baaqmd.gov**

- To submit written comments on an agenda item in advance of the meeting.
- To request, in advance of the meeting, to be placed on the list to testify on an agenda item.
- To request special accommodations for those persons with disabilities notification to the Clerk's Office should be given at least three working days prior to the date of the meeting so that arrangements can be made accordingly.

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

DRAFT MINUTES

Summary of Board of Directors
Budget & Finance Committee Meeting
9:45 a.m., Monday, May 17, 2004

1. **Call to Order:** Chairperson Julia Miller called the meeting to order at 9:47 a.m.

Roll Call: Julia Miller, Chair; Harold Brown, Roberta Cooper (9:49 a.m.), Chris Daly (9:57 a.m.), Patrick Kwok, Marland Townsend.

Absent: Jerry Hill, Gayle Uilkema.

Also Present: Scott Haggerty, Pam Torliatt (9:49 a.m.).

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

3. **Approval of Minutes of April 28, 2004:** Director Townsend moved approval of the minutes; seconded by Director Brown. Director Kwok requested his name be added to page three in the item regarding the concerns on the decrease in training and education. The minutes were approved as corrected and the motion carried unanimously by acclamation.

4. **Discussion of the Governor's May Revision of the State Budget:** *Staff provided the Committee with information on implications to the District revenues of the Governor's May Revision of the State Budget.*

Tom Addison, Advanced Projects Advisor, stated that part of the Governor's May Revision that came out on May 13th is an agreement between local governments that puts \$1.3 billion in a new Educational Reimbursement Augmentation Fund (ERAF) Shift of property taxes from cities, counties, local districts, and redevelopment agencies. The \$1.3 billion is split with \$350 million coming from cities, \$350 million from counties, \$350 million from special districts, and \$250 million from redevelopment agencies. This shift of property tax money from local government to the state will be for two years.

A sidebar agreement to the proposal is how the special districts would split up the \$350 million. The primary distinction is between enterprise districts and non-enterprise districts and \$200 million will come from enterprise districts and \$150 million will come from non-enterprise districts. The Air District is a non-enterprise district. Special districts that have police or fire fighting responsibilities will contribute significantly less. Mr. Addison stated that if this agreement upholds, and this becomes part of the budget that is enacted, the Air District would lose approximately \$4 million for the next two years (the 2004/2005 fiscal year and 2005/2006 fiscal year).

Historically, the multi-county special districts have been exempt from these shifts; there are five large multi-county special districts in the Bay Area: East Bay Regional Park District, BART, AC Transit, East Bay Mud and the Air District. Over the last three years there has been a coalition with all of these special districts. The coalition is still in place and will meet with Senator Torlakson on May 18th to explore an alternative way of distributing the allocation that was proposed in the past.

In response to a question from Director Brown, Jack Broadbent, Executive Officer/APCO, stated that the District is looking at some cost savings within the District. Also, the staff will take a look at possible transfers from the reserves if necessary. Wayne Tanaka, Director of Administrative Services, added that the District has sufficient reserves in the unspecified account that could be moved. In addition, there are designated reserves and these could also be shifted to the undesignated reserve. The District would have enough operating reserves this next fiscal year and the following fiscal year just by using reserves and not addressing any other issues, however, the District is reviewing several different venues to help balance the budget when the District knows what the final cuts will be.

Director Haggerty requested that Mr. Broadbent contact the Employees' Association (EA) to discuss what actions the EA might consider to help during this crisis. Director Haggerty also expressed concern about using the reserves. There was discussion by staff and Committee members that this shift could go beyond two years.

Mr. Broadbent noted that the budget would be before the Board on June 2, 2004 for the first public hearing. Once the budget is adopted, if there are additional cuts that would need to be made, staff would then come back to the Board with amendments. Mr. Broadbent also noted that he would need some time to contact and talk with the EA. Director Haggerty stated that staff should look at areas in the budget that could be cut before the budget is presented to the Board on June 2nd.

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

5. Continued Discussions on the Proposed FY 2004/2005 Budget: *The Committee continued discussions on the proposed FY 2004/2005 budget with staff.*

Mr. Broadbent presented his report and reviewed three key initiatives: 1) update and enhance the Plan; 2) conduct Bay Area Community Air Risk Evaluation ("CARE") Program; and 3) enhance the efficiency of the District. Mr. Broadbent also reviewed the proposed positions for fiscal year 2004/2005, which include another Deputy APCO, an Air Quality Program Manager that would coordinate and facilitate the District's community outreach efforts, and an Atmospheric Modeler.

Mr. Tanaka reviewed changes made to the budget based on the direction the Committee provided to staff at its April 28th meeting. Mr. Tanaka stated that the proposal for the Title V fees is to shift most of this additional revenue from annual Title V fees to Title V application fees. The application fees will provide a greater equity in the distribution of revenue among some of the facilities based on a "fee-for-service" model.

Dennis Bolt of the Western States Petroleum Association (WSPA) spoke briefly on the Title V fee issue.

Continuing, Mr. Tanaka stated that the travel expenses have been reduced to the current fiscal year 2004 amounts and the training and education expense has been restored to Program 705.

Committee Action: Director Townsend moved the Committee recommended referral of the proposed fiscal year 2004/2005 budget to the Board of Director's for the first of two public hearings. In addition, the Committee requested staff look at areas in the proposed budget that could be reduced prior to its presentation to the Board at the first public hearing on June 2nd; seconded by Director Kwok; carried unanimously without objection.

The final hearing and adoption of the proposed budget is scheduled for June 16, 2004.

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

Mr. Tanaka reviewed the General Fund Budget Statement of Revenue and Statement of Expenditures. A comparison of budget to actual revenue and actual expenditures was also reviewed. Mr. Tanaka reviewed the Transportation Fund for Clean Air fund statement of income and expenditures and noted there are no capital expenditures allowed under TFCA funding.

Director Townsend requested that a spreadsheet be provided with the report.

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

- 7. Committee Member Comments/Other Business.** Director Townsend requested that the Mobile Source Committee look at the impact of people using the wrong grade of fuel in their automobiles, in particular those with larger engines.
- 8. Time and Place of Next Meeting:** The June 23, 2004 meeting is cancelled. The next regularly scheduled meeting will be at 9:45 a.m., Wednesday, July 28, 2004, 939 Ellis Street, San Francisco, CA 94109.
- 9. Adjournment:** The meeting adjourned at 10:57 a.m.

Mary Romaidis
Clerk of the Boards

mr

Budget and Finance Committee

Follow-Up Items for Staff

May 17, 2004 meeting

1. Mr. Broadbent to contact the Employees' Association to see what the members might consider to help during this crisis.
2. Director Haggerty requested staff look at possible areas in the budget that could be cut before the proposed budget is before the Board on June 2nd.
3. Director Townsend requested that the Quarterly Financial Report also include a spreadsheet.
4. Director Townsend requested that the Mobile Source Committee look at the impact of people using the wrong grade of fuel in their automobiles, in particular those with larger engines.

BAY AREA AIR QUALITY MANGEMENT DISTRICT

Inter Office Memorandum

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

From: Brian Bateman
Director of Engineering

Date: July 21, 2004

Re: Status Report on Cost Recovery Analysis

RECOMMENDED ACTION:

Receive and file.

BACKGROUND

The District collects fees to help pay for the costs of implementing and enforcing air pollution control programs. A study of fee revenue, and regulatory program activity costs, was completed for the District in 1999 by KPMG (*Bay Area Air Quality Management District Cost Recovery Study, Final Report; Phase One – Evaluation of Fee Revenues and Activity Costs*, KPMG, February 16, 1999). Prior to this study, the District made adjustments to fees irregularly, and in a manner that did not keep pace with inflation. The 1999 KPMG Cost Recovery Study concluded that this practice, in part, had caused District fee revenue to fall well below actual program costs and also contributed to the depletion of the District's reserve accounts. The study recommended that the District begin to review fee revenue and program costs on an annual basis and, at a minimum, adjust fees every year as necessary to account for inflation.

For the past six years, the District has followed the recommendations of the 1999 KPMG cost recovery study by making regular annual increases to fees at the start of each fiscal year, which typically were based on the increase of the Consumer Price Increase for the Bay Area. At the same time, expanding regulatory programs and inflation have contributed to significant increases in the District's program activity costs. The District therefore plans to update the cost recovery study. The results of the study are expected to be available for use in preparing the budget for the upcoming fiscal year.

DISCUSSION

The District intends on using a contractor to complete the cost recovery study through a collaborative process involving input from District staff and a Steering Committee consisting of a variety of interested stakeholders. The members of the Steering Committee are as follows:

Dennis Bolt, Western States Petroleum Association
Margaret Bruce, Silicon Valley Manufacturing Group
Fred Glueck, General Contractor member of District's Advisory Council
John Holtzclaw, Conservation Organization member of the District's Advisory Council
Marti Russell, Peninsula Dry Cleaning Association
Cindy Tuck, California Council for Environmental and Economic Balance

The first meeting of the Steering Committee has been scheduled for July 30, 2004. The meeting agenda will focus on providing input on a draft Request for Proposals (RFP), which includes a statement of the study objectives, tasks, and deliverables. Based on comments received at recent workshops and public hearings related to amendments to the District's fee regulation, the District has proposed that the study objectives include analysis of fee revenue and program activity costs at a level that will allow for evaluation of the equity of the District's existing fee structure (i.e., analysis at the source category level).

After the final RFP has been released, a bidders conference will be held, and the submitted proposals will be evaluated. District staff will then present the results of the evaluation process to the Budget and Finance Committee and then to the Board with a recommendation for the selection of a contractor. A preliminary schedule for the completion of the study follows:

Preliminary BAAQMD Cost Recovery Study Timetable

<u>Date</u>	<u>Activity/Product/Report</u>
July 30, 2004	1 st Steering Committee Meeting
August 13, 2004	RFP Released
August 20, 2004	Mandatory Bidders Conference
September 10, 2004	Proposals Due
September 16-23, 2004	Proposal Evaluation
September 27, 2004	Interviews, if required
October 6, 2004	Board Action on Consultant Recommendation
October 13, 2004	Contract Execution
October 25, 2004	Presentation of Study Design to Steering Committee
December 3, 2004	Report of Preliminary Findings
December 13, 2004	Draft Report Due
December 17, 2004	Discussion of Draft Report with Steering Committee
December 30, 2004	Comments on Draft due to Consultant
January 13, 2005	Final Report Due
January 20, 2005	Discussion of Final Report with Steering Committee
January 26, 2005	Presentation to Board Committee

BUDGET CONSIDERATION/FINANCIAL IMPACT

Funds to complete the cost recovery study were included in the adopted FY 04-05 budget. The contractor costs are not expected to exceed \$200,000.

Respectfully submitted,

Brian Bateman
Director of Engineering

Prepared by: Brian Bateman
Reviewed by: Peter Hess

FORWARDED _____

BAY AREA AIR QUALITY MANGEMENT DISTRICT

Inter Office Memorandum

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

From: Wayne Tanaka
Director of Administrative Services

Date: July 7, 2004

Re: Consider Proposed Amendments to Administrative Code Division II – Fiscal Policies and Procedures

RECOMMENDED ACTION:

It is recommended that the Board of Directors notice on the Agenda for the September 21, 2004, Regular Meeting of the Board of Directors, consideration of the approval of proposed amendment to Administrative Code Division II, Section 3.4 (c), Fiscal Policies and Purchasing Procedures.

BACKGROUND

Division II of the District’s Administrative Code provides for Fiscal Policies and Procedures. A periodic review of these policies and procedures is appropriate in keeping with the best fiscal and business practices. The policies were last reviewed and changed in September 2003.

DISCUSSION

Administrative Code Division II, Section 3, Fiscal Policies and Purchasing Procedures provide fiscal procedure guidelines.

Section 3.4 (c) currently requires Board approval for refunds in excess of \$10,000. The proposed amendment will replace Board approval with APCO approval for refunds in excess of \$50,000. A review of practices for other large air quality districts indicates that the Air District is not following streamlined fiscal practices used by those districts. The following matrix outlines the current practices of the District, proposed amendments, and current practices for the South Coast AQMD, San Joaquin Valley Unified APCD and the Monterey Bay Unified APCD. Also attached is Section 3.4 (c) of Division II of the Administrative Code with changes, additions, and deletions shown with current language struck out and proposed language inserted.

Comparison of Fiscal Policies and Procedures - Refunds

	BAAQMD Current	BAAQMD Proposed	South Coast AQMD	San Joaquin Valley Unified APCD	Monterey Bay Unified APCD
Board authorization required for refunds	If greater than \$10,000	Not required	Not required	Not required	Not required
Notification to the Board of refunds	N/A if less than \$10,000	Not required	Not required	Not required	Not required

BUDGET CONSIDERATION/FINANCIAL IMPACT

No impact on current year budget.

Respectfully submitted,

Wayne Tanaka
Director of Administrative Services

FORWARDED _____

3.6

APPROVAL OF REFUND CLAIM.

The APCO shall act on the claim in one of the following ways:

- (a) If it is found that the claim is a proper charge against the District for any of the reasons cited in Section II-3.5(a) through (e), the APCO shall allow the claim. Otherwise, the claim shall be denied.
- (b) If it is found that the claim is a proper claim against the District but is for an amount greater than is justly due, it shall be rejected as to the balance. If the claim is allowed in part and rejected in part, the claimant may be required to accept the amount allowed in settlement of the entire claim.
- (c) Claims less than fifty thousand dollars (\$50,000) ~~ten thousand dollars (\$10,000)~~, shall be processed by the Director of Administrative Services, claims fifty thousand dollars (\$50,000) or greater that are rejected, shall be submitted to the APCO Board of Directors with a recommendation from the Director of Administrative Services APCO for final action disposition. Rejected claims shall be submitted to the Board of Directors, with a recommendation from the APCO, for final disposition.
- (d) Refund deposits when the purpose for which such deposit was made has been achieved and there is no financial loss to the District.

The APCO shall execute such forms as are prescribed by the Director of Administrative Services, attach thereto the verified claim for refund, with the action endorsed thereon, and transmit same to the Director of Administrative Services.

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: July 28, 2004

Re: Consideration of Amendments to the Fiscal Year 2004/2005 Budget

RECOMMENDED ACTION:

Recommend that the Board of Directors consider approval of amendments to the District's FY 2004/2005 General Fund Budget as a result of the likely revenue shortfall resulting from the 2004/2005 State budget. The proposed budget amendments are a combination of revenue and expenditure cuts and augmentations. As a result of the State Budget, and at the time of this writing the District is anticipating a reduction in County Revenue of approximately \$1,592,000.

In order to compensate for the lost revenue staff is proposing the following amendments to the District FY 2004/2005 budget.

- A \$363,000 reduction of Personnel Costs through deferred hiring,
- A \$308,800 reduction in Services and Supplies,
- A \$374,400 reduction in Capital Expenditures,
- A \$250,000 increase in Penalties and Settlements Revenue,
- A \$295,800 transfer from the Reserve for Furniture Replacement to partially fund Capital Expenditures for the building,

DISCUSSION

A proposed District FY 2004/2005 budget was presented to the Budget & Finance Committee on April 28, 2004. Based on recommendations from the Budget and Finance Committee an amended District budget was presented to the Committee at its May 17, 2004 meeting. At that meeting, the Committee unanimously accepted the budget and recommended that the budget be presented to the Board at the June 2, 2004 meeting. The Board of Directors opened the Public Hearing at its June 2nd meeting and provided direction to staff for minor revisions. The budget, along with the revisions, was adopted at the June 16, 2004 meeting.

Throughout the budget process, staff has been preparing a contingency plan for the potential shortfall in property tax revenue, which appears likely as a result of the adoption of the State budget. Staff has identified sources of funding and the contingency plan submitted to this Committee addresses this revenue shortfall. The proposed revised budget is balanced.

BUDGET CONSIDERATION/FINANCIAL IMPACT

The District's FY 04/05 budgeted General Fund Revenue will decrease by \$1,592,000 in Property Tax Revenue. The General Fund budget will decrease by \$1,046,200. The difference of \$545,800 will be made up with a \$295,800 transfer from the Designated Reserve for Furniture Replacement to partially fund Capital expenditures for building maintenance and a \$250,000 increase in budgeted Penalties and Settlements. The staff proposals to amend the District FY 2004/2005 Budget will cause the least disruption to the mission of the District.

Staff recommends that the Budget and Finance Committee approve the amendments to the FY 2004/2005 District Budget and submit them to the Board of Directors for consideration at their September 15, 2004 meeting.

Respectfully submitted,

Wayne Tanaka
Director of Administrative Services

FORWARDED _____

**TABLE I
REVENUES AND TRANSFERS - ALL FUNDS**

**PROJECTED REVENUES AND AVAILABLE FINANCING FOR FISCAL YEAR 2005
and Comparisons to FY 2003 and FY 2004**

	FY03-04 Adopted Budget	FY03-04 Approved Program Budget	FY04-05 Adopted Program Budget	FY04-05 Proposed Revised Budget
County Revenue				
Alameda	\$2,825,000	\$2,825,000	\$2,895,600	\$2,606,040
Contra Costa	\$1,900,000	\$1,900,000	\$1,947,500	\$1,752,750
Marin	\$755,000	\$755,000	\$773,800	\$696,420
Napa	\$465,000	\$465,000	\$476,600	\$428,940
San Francisco	\$2,050,000	\$2,050,000	\$2,101,200	\$1,891,080
San Mateo	\$2,350,000	\$2,350,000	\$2,408,700	\$2,167,830
Santa Clara	\$4,020,000	\$4,020,000	\$4,120,775	\$3,708,215
Solano	\$402,000	\$402,000	\$412,000	\$370,800
Sonoma	\$760,000	\$760,000	\$779,000	\$701,100
Total County Revenue	\$15,527,000	\$15,527,000	\$15,915,175	\$14,323,175
Other General Fund Revenue				
Operating, New and Modified Permit Fees	\$15,296,130	\$15,296,130	\$16,259,800	\$16,259,800
Title V Permit Fees	\$1,040,000	\$1,040,000	\$1,588,700	\$1,588,700
Asbestos Fees & Soil Aeration	\$1,276,000	\$1,276,000	\$1,300,200	\$1,300,200
AB 2588 Income	\$750,000	\$750,000	\$640,000	\$640,000
Hearing Board Fees (Variances)	\$35,000	\$35,000	\$37,000	\$37,000
Penalties and Settlements	\$1,700,000	\$1,700,000	\$1,750,000	\$2,000,000
Federal Grant (103 Grant)/Supplemental Grants	\$776,065	\$776,065	\$1,120,300	\$1,120,300
Federal Grant (105 Grant)	\$1,415,000	\$1,415,000	\$1,407,000	\$1,407,000
CMAQ Funding	\$1,228,400	\$1,228,400	\$1,228,400	\$1,228,400
State Subvention	\$1,863,870	\$1,863,870	\$1,863,870	\$1,863,870
Interest Income	\$475,000	\$475,000	\$490,000	\$490,000
California Energy Commission/Carl Moyer Grant	\$285,000	\$285,000		
Miscellaneous/Consulting Revenue	\$175,000	\$375,000	\$175,000	\$175,000
District Service Revenue	\$15,000	\$15,000	\$10,000	\$10,000
Total Other General Fund Revenue	\$26,330,465	\$26,530,465	\$27,870,270	\$28,120,270
Transfers In				
Reserve for Best of Breed, Furniture replacment			\$1,600,000	\$1,895,800
Reserve for PERS Super Funding			\$486,637	\$486,637
TFCA Indirect Cost Recovery	\$564,610	\$564,610	\$618,725	\$618,725
Reserve for Contingency/General Reserve Funding		\$403,325		
Total County, Other General Fund Revenue & Transfers In	\$42,422,075	\$43,025,400	\$44,898,807	\$45,444,607
Transportation Fund for Clean Air (TFCA) Revenue				
TFCA Administrative Costs*	\$950,853	\$950,853	\$974,244	\$974,244
TFCA Project Funding	\$4,007,264	\$5,007,264	\$5,189,671	\$5,189,671
Total TFCA Revenue	\$4,958,117	\$5,958,117	\$6,163,915	\$6,163,915
Fund Balance Transfers				
Transfer from/(to) General Reserve	(\$4,848)	(\$4,848)		
Total Fund Balance Transfers	(\$4,848)	(\$4,848)		
Grand Total Revenue and Fund Balance Transfers	\$47,375,345	\$48,978,670	\$52,654,722	\$51,608,522

* TFCA Administrative costs are calculated on total TFCA funds that are received from the DMV and administered by Program 606.

**TABLE II
CONSOLIDATED OPERATING EXPENDITURES**

	FY03-04 Adopted Budget	FY03-04 Approved Program Budget	FY 04-05 Adopted Program Budget	FY04-05 Proposed Revised Budget
Personnel				
Number of Positions	339.30	339.30	342.23	342.23
Permanent Salaries	\$25,601,908	\$25,601,908	\$26,354,630	\$26,037,630
Overtime Salaries	\$175,399	\$175,399	\$209,972	\$209,972
Temporary Salaries	\$144,059	\$144,059	\$194,066	\$194,066
Payroll Taxes	\$247,645	\$247,645	\$255,203	\$252,603
PERS	\$9,263	\$9,263	\$1,834,211	\$1,812,110
FICA Replacement Benefits	\$1,443,373	\$1,443,373	\$1,479,498	\$1,461,698
Group Insurance	\$3,458,484	\$3,458,484	\$3,848,966	\$3,848,966
Employee Transportation Subsidy	\$202,940	\$202,940	\$254,239	\$254,239
Worker Compensation	\$444,072	\$444,072	\$296,432	\$292,932
Fees	\$113,040	\$113,040	\$114,768	\$114,768
Prior Year Expenditure				
	\$31,840,184	\$31,840,184	\$34,841,984	\$34,478,984
Services and Supplies				
Travel Expenses	\$215,618	\$215,618	\$215,618	\$215,618
Training And Education	\$300,119	\$300,119	\$300,119	\$300,119
Repair & Maintenance (Equipment)	\$338,511	\$338,511	\$359,016	\$359,016
Communications	\$341,788	\$341,788	\$341,254	\$341,254
Building Maintenance	\$283,140	\$283,140	\$296,040	\$296,040
Utilities	\$372,066	\$372,066	\$362,066	\$357,066
Postage	\$204,756	\$204,756	\$154,916	\$154,916
Printing & Reproduction	\$573,565	\$573,565	\$525,345	\$525,345
Equipment Rental	\$224,276	\$224,276	\$183,841	\$183,841
Rents & Leases	\$883,280	\$883,280	\$925,343	\$925,343
Professional Services & Contracts	\$7,420,675	\$8,918,175	\$8,679,115	\$8,409,815
General Insurance	\$533,500	\$533,500	\$522,295	\$516,295
Shop & Field Supplies	\$239,087	\$239,087	\$253,162	\$253,162
Laboratory Supplies	\$55,426	\$55,426	\$66,012	\$66,012
Gasoline & Variable Fuel	\$229,280	\$229,280	\$198,000	\$198,000
Computer Hardware & Software	\$184,927	\$184,927	\$241,137	\$212,637
Stationery & Office Supplies	\$164,948	\$164,948	\$178,150	\$178,150
Books & Journals	\$105,118	\$105,118	\$101,162	\$101,162
Minor Office Equipment	\$48,651	\$48,651	\$40,241	\$40,241
GASB 34 Depreciation & Amortization				
	\$12,718,731	\$14,216,231	\$13,942,832	\$13,634,032
Capital Outlay				
Building & Grounds	\$778,830	\$778,830	\$652,640	\$652,640
Office Equip		\$105,825		
Computer & Network Equip	\$1,908,000	\$1,908,000	\$2,896,000	\$2,610,200
Motorized Equip	\$129,600	\$129,600	\$156,570	\$141,170
Lab & Monitoring Equip			\$164,696	\$91,496
Communications Equip				
	\$2,816,430	\$2,922,255	\$3,869,906	\$3,495,506
Total Expenditures	\$47,375,345	\$48,978,670	\$52,654,722	\$51,608,522

Program Activities Eligible for Revenue Sources:

\$13,500,265	Operating Permit Fees	\$5,281,386	Federal Grant & State Subvention
\$6,474,702	New & Modified Permits		
\$2,625,644	Title V Permit Fees	\$1,204,550	CMAQ Funding & CEC Funding
\$1,251,430	Asbestos Fees		
\$28,720	Soil Aeration Fees	\$6,163,915	TFCA Admin Costs and Proj Funding
\$976,844	AB 2588 Income	\$12,019,230	General Revenue *
\$166,564	Hearing Board Fees		Additional State Subvention
\$1,915,275	Penalties and Settlements	\$51,608,522	Total

* General Revenue includes County, Interest, Miscellaneous and District Service Revenues

**TABLE III
GENERAL FUND OPERATING EXPENDITURES**

	FY03-04 Adopted Budget	FY03-04 Approved Program Budget	FY04-05 Proposed Program Budget	FY04-05 Revised Program Budget	Difference	Percent Change
<i>Personnel</i>						
Number of Positions	315.39	315.39	326.21	326.21		
Permanent Salaries	\$23,778,160	\$23,778,160	\$25,155,400	\$24,838,400	(\$317,000)	(1.33%)
Overtime Salaries	\$140,327	\$140,327	\$197,425	\$197,425	\$0	0.00%
Temporary Salaries	\$144,059	\$144,059	\$194,066	\$194,066	(\$0)	(0.00%)
Payroll Taxes	\$229,800	\$229,800	\$243,570	\$240,970	(\$2,600)	(1.13%)
PERS	\$9,263	\$9,263	\$1,749,387	\$1,727,286	(\$22,101)	(238.60%)
FICA Replacement Benefits	\$1,339,762	\$1,339,762	\$1,410,395	\$1,392,595	(\$17,800)	(1.33%)
Group Insurance	\$3,265,185	\$3,265,185	\$3,700,188	\$3,700,188	(\$0)	(0.00%)
Employee Transportation Subsidy	\$188,698	\$188,698	\$240,742	\$240,742	\$0	0.00%
Worker Compensation	\$412,649	\$412,649	\$282,389	\$278,889	(\$3,500)	(0.85%)
Fees	\$113,040	\$113,040	\$114,768	\$114,768	\$0	0.00%
Prior Year Expenditure						
	\$29,620,943	\$29,620,943	\$33,288,329	\$32,925,329	(\$363,000)	(1.23%)
<i>Services and Supplies</i>						
Travel Expenses	\$193,058	\$193,058	\$203,508	\$203,508		
Training And Education	\$294,069	\$294,069	\$296,619	\$296,619		
Repair & Maintenance (Equipment)	\$337,631	\$337,631	\$359,016	\$359,016		
Communications	\$334,838	\$334,838	\$336,054	\$336,054		
Building Maintenance	\$283,140	\$283,140	\$296,040	\$296,040		
Utilities	\$372,066	\$372,066	\$362,066	\$357,066	(\$5,000)	(1.34%)
Postage	\$187,316	\$187,316	\$137,916	\$137,916		
Printing & Reproduction	\$478,565	\$478,565	\$440,345	\$440,345		
Equipment Rental	\$224,276	\$224,276	\$183,841	\$183,841		
Rents & Leases	\$864,380	\$864,380	\$925,343	\$925,343		
Professional Services & Contracts	\$3,947,005	\$4,444,505	\$4,196,415	\$3,927,115	(\$269,300)	(6.06%)
General Insurance	\$533,500	\$533,500	\$522,295	\$516,295	(\$6,000)	(1.12%)
Shop & Field Supplies	\$225,737	\$225,737	\$252,962	\$252,962		
Laboratory Supplies	\$53,826	\$53,826	\$66,012	\$66,012		
Gasoline & Variable Fuel	\$229,280	\$229,280	\$198,000	\$198,000		
Computer Hardware & Software	\$179,927	\$179,927	\$237,137	\$208,637	(\$28,500)	(15.84%)
Stationery & Office Supplies	\$164,448	\$164,448	\$178,050	\$178,050		
Books & Journals	\$102,668	\$102,668	\$100,812	\$100,812		
Minor Office Equipment	\$43,651	\$43,651	\$40,141	\$40,141		
GASB 34 Depreciation & Amortization						
	\$9,049,381	\$9,546,881	\$9,332,572	\$9,023,772	(\$308,800)	(3.23%)
<i>Capital Outlay</i>						
Building & Grounds	\$761,409	\$761,409	\$652,640	\$652,640		
Office Equip		\$105,825				
Computer & Network Equip	\$1,855,064	\$1,855,064	\$2,896,000	\$2,610,200	(\$285,800)	(15.41%)
Motorized Equip	\$125,879	\$125,879	\$156,570	\$141,170	(\$15,400)	(12.23%)
Lab & Monitoring Equip			\$164,696	\$91,496	(\$73,200)	
Communications Equip						
	\$2,742,352	\$2,848,177	\$3,869,906	\$3,495,506	(\$374,400)	(13.15%)
<i>Allocated Indirect Cost</i>	(\$93,047)	(\$93,047)				
Total Expenditures	\$41,319,629	\$41,922,954	\$46,490,807	\$45,444,607	(\$1,046,200)	(2.50%)

Program Activities Eligible for Revenue Sources:

\$13,500,265 Operating Permit Fees

\$5,281,386 Federal Grant &

BAY AREA AIR QUALITY MANGEMENT DISTRICT

Inter Office Memorandum

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

From: Teresa Galvin Lee
Director of Public Information and Outreach

Date: July 21, 2004

Re: Status Report on Resources for Community Outreach Meetings

RECOMMENDED ACTION:

Informational report.

DISCUSSION:

The Board of Directors referred to the Budget and Finance Committee a request for a breakdown of resources associated with community outreach meetings that the Air District sponsors.

The following are the costs for two meetings. These estimates are an example of the costs incurred by the Air District to hold Title V and related hearings.

The first was a community meeting held in Martinez in September 2003 to receive input on Supplemental Environmental Project (SEP) funds for the community. The second is a breakdown of the costs of a PG&E Title V public hearing held in the Bayview/Hunters Point community in San Francisco in May 2004. The costs for both meetings do not include staff time to prepare for the meetings, debriefing afterwards and following up with action items.

SEP Community Meeting – Martinez, September 2003

- Facility Rental (Martinez City Council Chambers) no charge
- Community Flyers
 - Compose, format and reproduce 1,000 flyers, two-sided, English and Spanish produced in-house
- Flyer translation (Spanish only) \$ 75
- Mailout of 150 flyers to interested parties lists 55
- Co-sponsors distribution of flyers (two faith groups) no charge
- E-mail notification to environmental and community groups no charge
- Postings on local cable TV community calendar no charge
- Translator for Spanish speakers 1,000
- Refreshments 75
- Staff (non-management attendance at the meeting)
 - Four hours of overtime for public information officers, Supervising inspector, inspector, office assistant 1,250

Total Cost: \$2,455

PG&E Title V Public Meeting – Hunters Point, May 2004

• Facility rental at the Milton Meyers Auditorium	No charge
• Community Flyers	
○ Compose, format and reproduce 10,000 flyers, two-sided, in English and Spanish	\$ 782
• Security	
○ SF Police Officer: one officer for four hours	325
• Flyer translation into Spanish and Chinese	550
• SF Unified School District	
○ Distribution of 4,000 flyers through schools	50
• Flyer distribution to community by co-sponsors	
○ Community groups \$300 per group to distribute flyers	750
• Translator for Spanish speakers	
○ Simultaneous translation for up to 30 attendees	1,000
• Refreshments	75
• Staff (non-management) attendance at the meeting	1,392
○ Four hours of overtime for Title V engineer, inspector, supervising inspector, public information officer and bi-lingual engineer (for Chinese translation)	

Total Cost \$4,924

For the future, staff intends to keep the costs of these hearings to a minimum. Specifically, staff will utilize public buildings that are available at little or no cost, keep the staff attending the meetings to a minimum and reduce the cost of large mailings by utilizing a less expensive mailing house.

BUDGET CONSIDERATION/FINANCIAL IMPACT

Funding for community meetings and public hearings on Title V issues are included in the 2004-05 budget.

Respectfully submitted,

Teresa Galvin Lee
Director of Public Information and Outreach

Reviewed by: Peter Hess

FORWARDED _____