



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
JERRY HILL
MARLAND TOWNSEND
ROBERTA COOPER
PATRICK KWOK
GAYLE UILKEMA

MONDAY
DECEMBER 20, 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 AUGUST 4, 2004 AND SEPTEMBER 30, 2004**
4. **FIRST QUARTER FINANCIAL REPORT FOR FISCAL YEAR 2004/2005**

W. Tanaka /5066
wtanaka@baaqmd.gov

The Financial Report for the First Quarter of Fiscal Year 2004/2005 will be presented. This will be an informational item only.
5. **REQUEST APPROVAL OF PURCHASE ORDER FOR TELECONFERENCING EQUIPMENT AND INSTALLATION IN BOARD AND 4TH FLOOR CONFERENCE ROOMS, AND TRANSFER OF FUNDS FROM THE CONTINGENCY RESERVE.**

W. Tanaka/5066
wtanaka@baaqmd.gov

Consider approval of purchase order to Commercial Video for teleconferencing equipment and installation in the amount of \$81,910, approve transfer of \$110,310 from Contingency Reserve, and increase the Fiscal Year 2004/2005 budget \$110,310 .
6. **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)
7. **TIME AND PLACE OF NEXT MEETING – JANUARY 26, 2005 939 ELLIS STREET - SF, CA**
8. **ADJOURNMENT**

CONTACT CLERK OF THE BOARD - 939 ELLIS STREET SF, CA 94109

(415) 749-4965
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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 3 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., Wednesday, August 4, 2004

1. **Call to Order:** Chairperson Julia Miller called the meeting to order at 9:46 a.m.

Roll Call: Julia Miller, Chair; Harold Brown, Roberta Cooper, Jerry Hill, Patrick Kwok, Gayle Uilkema.

Absent: Chris Daly, Marland Townsend.

Also Present: Scott Haggerty, Pam Torliatt (10:02 a.m.).

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

3. **Approval of Minutes of May 17, 2004:** Director Hill moved approval of the minutes; seconded by Director Kwok; carried unanimously without objection.

4. **Status Report on Cost Recovery Analysis:** *Staff gave a status report to the Committee on the development of a request for proposal to conduct a cost recovery analysis for future budgetary utilization.*

Brian Bateman, Director of Engineering, presented the report and stated that, like many other agencies, the Air District depends on fees for revenue. Under state law, the Air District is given the authority to collect fees to recover the reasonable cost of running the District's regulatory programs.

Mr. Bateman noted that the 1999 KPMG Cost Recovery Study found that fee revenues were significantly less than program activity costs and the Study recommended regular adjustments to fees each year to keep pace with inflation. Mr. Bateman pointed out that permit fees account for almost one half of the District's revenues. The objectives for the update to the Cost Recovery Study include the following:

- Establishing a standard methodology to determine direct and indirect program costs.
- Compile revenue and cost data at the level of individual fee schedules.
- Identify factors that may be appropriate to consider in assessing the equity of individual fee schedules.
- Make recommendations for adjusting fees to recover cost of regulatory programs.

Mr. Bateman stated that the District will use a contractor to complete the cost recovery study and that there will be a collaborative process that involves input from Air District staff and

from a Steering Committee. The funds for the study are in the budget and the contractor costs are not expected to exceed \$200,000.

There was discussion on the following: 1) the makeup of the Steering Committee; 2) the geographic area of the representatives on the Steering Committee; 3) having a transportation interest on the Steering Committee; 4) fees apply only to stationary sources; 5) there has been a 50% increase in fees overall since the 1999 Study was implemented; and 6) the District should try to recover 100% of costs at some point in the future.

Board Chairperson Haggerty requested staff have a representative from Alameda County on the Steering Committee.

A draft of the Request for Proposals (RFP) for the cost recovery study was distributed to the Committee. Mr. Bateman reviewed the timetable for the study.

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

5. **Consider Proposed Amendments to Administrative Code Section 3.6(c), Division II, Administrative Policies and Purchasing Procedures:** *The Committee considered recommendation to amend Section 3.6(c), Division II: Fiscal Policies and Purchasing Procedures of the District's Administrative Code.*

Wayne Tanaka, Director of Administrative Services, presented the report and stated that staff has been reviewing the Policies and Procedures and recommending amendments as necessary. Currently, Section 3.4(c) requires Board approval for refunds in excess of \$10,000. The amendment to Section 3.4(c) would streamline the process and allow the Director of Administrative Services to approve refunds of less than \$50,000 and the Air Pollution Control Officer (APCO) to approve refunds in excess of \$50,000. Mr. Tanaka noted that the funds in question do not belong to the District and should be refunded as soon as possible. Staff recommended Board approval of the proposed amendments to Administrative Code Division II, Section 3.4(c), Fiscal Policies and Purchasing Procedures.

Committee Action: Director Brown moved the staff recommendation; seconded by Director Kwok. Director Uilkema added a friendly amendment to the motion that any action taken on refunds in excess of \$50,000 is to appear as a report to the Board on the Board Agenda. Both Director Brown and Director Kwok accepted the amendment. The motion then passed unanimously without objection.

6. **Consider Request to Amend Fiscal Year 2004/2005 Budget:** *The Committee considered 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.*

Jack Broadbent, Executive Officer/APCO, stated that with the final State budget, the Air District will have a 10% reduction in property tax revenue. The proposed changes to the District's budget are before the Committee and these changes address the shortfall.

Mr. Tanaka added that as of today, there have not been any trailer bills or blue line items that would reduce the revenue shortfall even further. Staff has identified revenue items that can be deferred or eliminated to make up for the shortfall. The following amendments are proposed to the District's fiscal year 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

In addition, the following augmentations are proposed:

- 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.

Mr. Tanaka recommended that the Board consider approval of the amendments to the District's fiscal year 2004/2005 General Fund Budget and approve the transfer of \$295,800 from the Reserve for Furniture Replacement to Capital Expenditures.

Committee Action: Director Hill moved approval of the staff recommendation; seconded by Director Brown; carried unanimously without objection.

7. Status Report of Community Outreach Efforts: *Staff reported on the resources devoted to Community and Title V Outreach meetings.*

Peter Hess, Deputy APCO, presented the report and reviewed the breakdown of costs associated with two meetings – one held in Martinez to receive input on Supplemental Environmental Project (SEP) funds for the community and one on a Title V public hearing held in the Bayview/Hunters Point community in San Francisco.

Mr. Hess noted that the District has about 40 community meetings a year and reminded the Committee that there will also be public meetings on the 2004 Ozone Strategy Plan in the near future. The community meetings and public hearings are conducted in the most economical way possible.

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

8. Committee Member Comments/Other Business. Director Uilkema discussed the Environmental Working Group Report that came out recently and her experience with the press. Director Uilkema requested some guidelines to follow in the future. Mr. Broadbent suggested that, for consistency, the calls be referred to the Air District and a determination would be made on how the call should be handled, in particular if the press is seeking technical information.

Mr. Broadbent noted that as part of the state budget, the Governor signed SB1107, which re-authorizes the Carl Moyer Program. Statewide there will be \$69 million in the Program. The Air District should receive approximately \$9 million of the funds.

In response to a question from Chairperson Miller, Mr. Broadbent stated that the Spare the Air ad campaign has not ended even though there have been no Spare the Air days. Because there have been no Spare the Air days, the money for the free BART days has not been spent as yet.

9. **Time and Place of Next Meeting:** Chairperson Miller cancelled the August 25, 2004 meeting. The next regularly scheduled meeting will be at 9:45 a.m., Wednesday, September 22, 2004, 939 Ellis Street, San Francisco, CA 94109.
10. **Adjournment:** The meeting adjourned at 10:43 a.m.

Mary Romaidis
Clerk of the Boards

mr

Budget and Finance Committee

Follow-Up Items for Staff

August 4, 2004 meeting

1. Board Chairperson Haggerty requested staff have a representative from Alameda County on the Cost Recovery Steering Committee.

**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., Thursday, September 30, 2004

1. **Call to Order:** Chairperson Julia Miller called the meeting to order at 9:58 a.m.

Roll Call: Julia Miller, Chair; Chris Daly, Jerry Hill, Gayle Uilkema.

Absent: Harold Brown, Roberta Cooper, Patrick Kwok.

Also Present: Pam Torliatt.

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

3. **Approval of Minutes of August 4, 2004:** There being no quorum present, approval of the minutes was deferred to the next meeting.

4. **Fourth Quarter Financial Report for Fiscal Year 2003/2005:** *The financial report for the fourth quarter of FY 2003/2004 was presented.*

Wayne Tanaka, Director of Administrative Services, presented the report and reviewed the General Fund budget statements of revenue and expenditures. Mr. Tanaka also reviewed the Transportation Fund for Clean Air (TFCA) statement of income and expenditures.

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

5. **Consideration of Contractor to Perform Cost Recovery Analysis:** *The Committee considered staff recommendation on the selection of a contractor to complete a cost recovery study for the District.*

Brian Bateman, Director of Engineering, presented the report and reviewed the objectives of the 2005 Cost Recovery Study. Mr. Bateman noted that this Study would provide a better picture of where the District is today. Mr. Bateman reviewed the membership of the Steering Committee and noted Ms. Ortendahl of the Economic Development Alliance for Business (EDAB) has been added to the Committee. The tasks completed from July 19th through September 30th were reviewed.

Mr. Bateman reviewed the single proposal submitted by Stonefield Josephson, Inc. and stated that based on the evaluation of the proposal and interviews conducted, staff recommends the Board approve the contract for the 2005 Cost Recovery Study to Stonefield Josephson, Inc. Mr. Bateman discussed the tentative schedule for completion of the Study and indicated that

staff would provide monthly updates to the Budget and Finance Committee. Director Uilkema requested staff contact the South Coast AQMD to see what their study cost.

Committee Action: The Committee concurred with the staff recommendation for the 2005 Cost Recovery Study.

7. **Committee Member Comments/Other Business.** Chairperson Miller noted that several issues brought up at the Executive Committee meeting will be coming to the Budget and Finance Committee.
8. **Time and Place of Next Meeting:** 9:45 a.m., Wednesday, October 27, 2004, 939 Ellis Street, San Francisco, CA 94109.
9. **Adjournment:** The meeting adjourned at 10:22 a.m.

Mary Romaidis
Clerk of the Boards

mr

Budget and Finance Committee

Follow-Up Items for Staff

September 30, 2004 meeting

1. Staff was requested contact the South Coast AQMD to find out the cost of their cost recovery study.

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: December 13, 2004

Re: First 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 \$338,805 (2%) of budgeted revenue. Alameda accounted for the majority of the receipts received.
- Permit Fee receipts were \$10,046,461 (54%) of budgeted revenue.
- Asbestos Fees were \$423,704 (33%) of budgeted revenue.
- Penalties and Settlements receipts were \$223,250 (11%) of budgeted revenue.
- Interest Income receipts were \$102,627 (21%) of budgeted revenue.
- Miscellaneous Revenue was \$259,870 (148%) of budgeted revenue.

GENERAL FUND BUDGET: STATEMENT OF EXPENDITURES

Comparison of Budget to Actual Expenditures

- Salaries and Benefits were \$6,486,277 (20%) of estimated expenditures.
- Operational Services and Supplies were \$1,894,308 (21%) of estimated expenditures.
- Capital Outlay was \$216,621 (6%) of estimated expenditures.

TFCA FUND: STATEMENT OF INCOME AND EXPENDITURES

AGENDA: 4

- Total Revenue was \$4,551,385 (74%) of estimated revenue and expenditures.
- In keeping with TFCA Fund requirements, expenditures must equal revenue.
- Salary and Benefits were \$351,062 (23%) of estimated expenditures.
- Operational Services and Supplies were \$845,111 (18%) of estimated expenditures.

BUDGET CONSIDERATION/FINANCIAL IMPACT

No impact on current year budget.

Respectfully submitted,

Wayne Tanaka
Director of Administrative Services

FORWARDED _____

Prepared by: Wayne Tanaka

**STATEMENT OF REVENUE
GENERAL FUND
As of September 30, 2004 and September 30, 2003**

REVENUES	Budget FY 2005	Received to Date September 30, 2004	Receipts as % of Budget FY 2005	Received to Date September 30, 2003	Variance Received to Date FY 2005 vs FY 2004	% of Variance
County Revenue						
Alameda County	2,606,040	328,033	13%	324,915	3,118	1%
Contra Costa County	1,752,750	237	0%	3,295	(3,058)	-1290%
Marin County	696,420	2,640	0%	0	2,640	100%
Napa County	428,940	0	0%	0	0	0%
San Francisco County	1,891,080	0	0%	794	(794)	0%
San Mateo County	2,167,830	2,621	0%	8,964	(6,343)	-242%
Santa Clara County	3,708,215	1,735	0%	11,000	(9,265)	-534%
Solano County	370,800	0	0%	0	0	0%
Sonoma County	701,100	3,539	1%	0	3,539	100%
Sub Total	14,323,175	338,805	2%	348,968	(10,163)	-3%
Permit, Title V & AB 2588 Fees	18,488,500	10,046,461	54%	9,433,679	612,782	6%
Asbestos Fees	1,300,200	423,704	33%	368,832	54,872	13%
Hearing Board Fees	37,000	4,285	12%	4,888	(603)	-14%
Penalties & Settlements	2,000,000	223,250	11%	730,813	(507,563)	-227%
Federal Grant Current & Prior Year	1,407,000	142,500	10%	685,153	(542,653)	-381%
Federal - 103 Grant/Supplemental Funding	1,120,300	115,000	10%	0	115,000	100%
CMAQ Funding	1,228,400	0	0%	0	0	0%
State Subvention	1,863,870	0	0%	0	0	0%
CEC/Carl Moyer/Other Grants	0	0	0%	0	0	0%
Interest Income	490,000	102,627	21%	162,758	(60,131)	-59%
Miscellaneous Revenue	175,000	259,870	148%	94,408	165,462	64%
District Service Revenue	10,000	335	3%	478	(143)	-43%
Sub Total Other General Fund	28,120,270	11,318,032	40%	11,481,009	(162,977)	-1%
TOTAL GENERAL FUND	42,443,445	11,656,837	27%	11,829,977	(173,140)	-1%
Transfers In						
Reserve for Best of Breed	1,600,000	0	0%	0	0	0%
Reserve for PERS Superfunding	486,637	0	0%	0	0	0%
Reserve for Capital Expenditures	295,800	0	0%	0	0	0%
TFCA Cost Recover	618,725	0	0%	0	0	0%
TOTAL TRANSFER IN	3,001,162	0	0%	0	0	0%
Transfer Out						
Fund Balance Available	0	0		0	0	0%
TOTAL REVENUE & TRANSFERS	45,444,607	11,656,837	26%	11,829,977	-173,140	-1%

STATEMENT OF EXPENDITURES
GENERAL FUND
As of September 30, 2004 and September 30, 2003

EXPENDITURES

	Budget FY 2005	Expended to Date September 30, 2004	Expended as % of Budget FY 2005	Expended to Date September 30, 2003	Variance Expended to Date FY 2005 vs 2004	% of Variance
Personnel Expenditures						
Permanent Salaries	24,883,150	4,547,395	18%	7,020,723	(2,473,328)	-54%
Overtime Salaries	197,425	13,789	7%	4,403	9,386	68%
Temporary Salaries	194,066	3,155	2%	11,448	(8,293)	-263%
Payroll Taxes	243,570	52,501	22%	54,426	(1,925)	-4%
PERS	1,749,387	311,621	18%	3,805	307,816	99%
FICA Replacement Benefits	1,410,395	416,028	29%	293,278	122,750	30%
Group Insurances	3,609,438	890,840	25%	747,281	143,559	16%
Employee Transportation Subsidy	240,742	55,586	23%	43,814	11,772	21%
Worker Compensation	282,389	185,562	66%	91,256	94,306	51%
Fees	114,768	9,800	9%	21,747	(11,947)	-122%
TOTAL PERSONNEL EXPENDITURES	32,925,330	6,486,277	20%	8,292,181	(1,805,904)	-28%
Operation Expenditures						
Transportation and Travel	203,508	13,418	7%	11,960	1,458	11%
Training & Education	293,619	81,698	28%	5,017	76,681	94%
Maintenance of Equipment	359,016	43,211	12%	48,111	(4,900)	-11%
Communications	334,054	58,790	18%	65,649	(6,859)	-12%
Maintenance of Building	296,040	56,457	19%	56,362	95	0%
Utilities	356,066	69,494	20%	96,142	(26,648)	-38%
Postage	137,916	21,022	15%	26,940	(5,918)	-28%
Printing & Reproduction	413,345	25,523	6%	41,244	(15,721)	-62%
Rental of Equipment	183,841	17,543	10%	32,732	(15,189)	-87%
Rents & Leases	925,343	233,917	25%	216,443	17,474	7%
Professional Services	3,969,115	771,090	19%	385,731	385,359	50%
Insurance	517,295	288,995	56%	89,802	199,193	69%
Shop & Field Supplies	248,962	68,155	27%	25,850	42,305	62%
Laboratory Supplies	66,012	22,523	34%	12,047	10,476	47%
Fuels	198,000	28,484	14%	23,610	4,874	17%
Computer Hardware & Software	206,637	32,871	16%	18,420	14,451	44%
Office Supplies	178,050	48,372	27%	27,899	20,473	42%
Books, Journals & Subscriptions	96,812	3,209	3%	4,523	(1,314)	-41%
Minor Office Equipment	40,140	9,536	24%	3,074	6,462	68%
Depreciation and Amortization	0	0	0%	0	0	0%
Allocated Indirect Cost	0	0	0%	0	0	0%
TOTAL OPERATION EXPENDITURES	9,023,771	1,894,308	21%	1,191,556	702,752	37%
Capital Budget						
Office Equipment	0	174	0%	0	174	100%
Computer Equipment	2,610,200	58,631	2%	167,642	(109,011)	-186%
Bulding & Grounds	652,640	76,102	12%	86,524	(10,422)	-14%
Vehicle Fleet	156,570	67,631	43%	0	67,631	100%
Laboratory & Monitoring Equipment	76,096	14,083	0%	26,364	(12,281)	100%
Communications Equipment	0	0	0%	0	0	0%
TOTAL CAPITAL BUDGET EXPENDITURES	3,495,506	216,621	6%	280,530	(63,909)	-30%
TOTAL EXPENDITURES	45,444,607	8,597,206	19%	9,764,267	(1,167,061)	-14%

STATEMENT OF REVENUE and EXPENDITURES
TRANSPORTATION FUND FOR CLEAN AIR
As of September 30, 2004 and Sseptember 30, 2003

REVENUES	Budget FY 2005	Received to Date September 30, 2004	Received as % of Budget FY 2005	Received to Date September 30, 2003	Variance Received to Date FY 2005 vs 2004	% of Variance
AB 434 Administrative Income	974,244	736,507	76%	168,250	568,257	77%
AB 434 Project Income	5,189,671	3,814,878	74%	903,961	2,910,917	76%
TOTAL REVENUE	6,163,915	4,551,385	74%	1,072,211	3,479,174	76%

EXPENDITURES	Budget FY 2005	Expended to Date September 30, 2004	Expended as % of Budget FY 2005	Expended to Date September 30, 2003	Variance Expended to Date FY 2005 vs 2004	% of Variance
Personnel Expenditures						
Permanent Salaries	1,199,230	276,375	23%	260,690	15,685	6%
Temporary Salaries	12,547	3,441	27%	3,058	383	11%
Overtime Salaries	0	0	0%	0	0	0%
Payroll Taxes	11,633	3,155	27%	2,238	917	29%
PERS	84,824					
FICA Replacement Benefits	69,103	15,010	22%	11,213	3,797	25%
Group Insurances	148,777	38,429	26%	28,689	9,740	25%
Employee Transit Subsidy	13,497	2,201	16%	1,814	387	18%
Workers Compensation	14,044	12,451	89%	3,785	8,666	70%
TOTAL PERSONNEL EXPENDITURES	1,553,655	351,062	23%	311,487	39,575	11%

Operation Expenditures

Transportation & Travel	12,110	1,098	9%	1,023	75	7%
Training & Education	3,500	944	27%	250	694	74%
Communications	5,200	7,368	142%	1,251	6,117	83%
Postage	17,000	0	0%	3,560	(3,560)	0%
Printing & Reproduction	85,000	61,697	73%	18,690	43,007	70%
Rental of Equipment	0	0	0%	0	0	0%
Professional & Special Services	4,482,700	771,589	17%	735,800	35,789	5%
Shop & Field Supplies	200	0	0%	0	0	0%
Computer Hardware & Software	4,000	0	0%	0	0	0%
Office Supplies	100	0	0%	125	(125)	0%
Books & Journals	350	345	99%	25	320	93%
Minor Office Equipment	100	2,070	0%	0	2,070	100%
Depreciation and Amortization	0	0	0%	0	0	0%
Allocated Indirect Cost	0	0	0%	0	0	0%
TOTAL OPERATION EXPENDITURES	4,610,260	845,111	18%	760,724	84,387	10%

Capital Outlay

Motorized Equipment & Radio	0	0	0%	4,500	(4,500)	0%
TOTAL CAPITAL OUTLAY	0	0	0%	0	0	0%
TOTAL EXPENDITURES	6,163,915	1,196,173	19%	1,072,211	123,962	10%

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: December 6, 2004

Re: Teleconferencing - Consider Approval of Purchase Order, Increase FY
2004/2005 Budget and Transfer from Reserve for Contingency

RECOMMENDED ACTION:

If the Committee and full Board desires that staff proceed with this project, staff recommends approval of a purchase order not to exceed \$81,910, to Commercial Video and approval of a request to transfer \$110,310 from the Reserve for Contingency, and amendment to the FY 2004/2005 Capital Budget - \$101,910 and ISS Budget - \$8,400.

BACKGROUND

At its June 14, 2004, meeting, the Public Outreach Committee of the District's Board of Directors directed staff to investigate and report to the Executive Committee on the possibility of holding Board and Board Committee meetings by teleconference on Spare-the-Air days in order to reduce emissions from vehicles used to travel to such meetings at the District's offices. Staff presented a report at the November 29, 2004 Executive Committee meeting and recommended that the Board consider holding all Regular and Committee meetings with teleconferencing available.

DISCUSSION

At the November 29, 2004, meeting of the Board of Director's Executive Committee, staff was directed to continue gathering information through the RFP process and present the information to the Budget & Finance Committee.

Staff has reviewed Brown Act requirements for teleconference meetings in addition to those requirements that are applicable to ordinary meetings. In order to satisfy these requirements, the District will need to obtain teleconferencing equipment for the Boardroom and the commonly used Committee meeting rooms. The equipment will allow participants the best possible experience with both sound and visual communication. Also included in the proposals are costs for an assisted listening system designed for the hearing impaired.

The teleconferencing capabilities will allow Board members and members of the public to participate when direct attendance is not possible. The teleconferencing capabilities will allow staff to participate in offsite meetings and conferences from the District building. This will save money in travel costs and reduce vehicle miles.

Through the Request for Proposal process, three bids for this project were submitted.

<u>Commercial Video</u>	<u>SPL Systems</u>	<u>Integrated Media Systems</u>
<u>\$81,910</u> Total	<u>\$135,881</u> Total	<u>\$184,859</u> Total
\$53,257 Board Room	\$ 63,342 Board Room	\$ 81,731 Board Room
\$26,940 4th Floor Conf	\$ 71,114 4th Floor	\$102,196 4th Floor Conf
\$ 1,713 Assisted Listening	\$ 1,425 Assisted Listening	\$ 932 Assisted Listening

During site visits by the bidders, the lighting and acoustic properties of both rooms were mentioned. Upgrades may be required to get the best video and audio possible. To enhance the lighting and add sound deadening acoustic materials will cost an estimated \$12,000 for the Board Room and \$8,000 for the 4th Floor Conference Room. These costs are additional and not part of the bids.

Additionally, a dedicated T1 line, a digital transmission link to other locations, will be required. The cost of the line is estimated to be \$700 per month - \$8,400 annually. The monthly fee will apply whether the line is used or not as it will be a dedicated line. Other costs, such as those associated with the operating of equipment at the receiving end are unknown at this time.

Should the Committee and Board desire to proceed with this project, staff recommends that Commercial Video be selected as the vendor based on competitive pricing and known reputation.

BUDGET CONSIDERATION/FINANCIAL IMPACT

The FY 2004/2005 Capital Budget will be increased by \$101,910 and the ISS Budget will increase by \$8,400 with a transfer from the Reserve for Contingency.

Respectfully submitted,

Wayne Tanaka
Director of Administrative Services

FORWARDED _____

Prepared by: Wayne Tanaka