

**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 25, 2004

1. **Call to Order:** Chairperson Miller called the meeting to order at 9:48 a.m.

Roll Call: Julia Miller, Chair; Chris Daly, Jerry Hill, Patrick Kwok.

Absent: Harold Brown, Roberta Cooper, Marland Townsend, Gayle Uilkema.

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

3. **Approval of Minutes of December 16, 2003:** Due to the lack of a quorum, approval of the minutes was deferred to the next meeting.

4. **Discussion of Governor's Proposed Budget:** *Staff presented a summary of the Governor's Proposed Budget.*

Wayne Tanaka, Director of Administrative Services, summarized the impact of the Governor's proposed budget for fiscal year 2004/2005 on the Air District. Mr. Tanaka reviewed the timeline for the State budget and noted that the Legislature hoped to pass the budget by July 1, 2004. Mr. Tanaka noted that the Air District's share of subvention funds is \$1.8 million, which is the same as last fiscal year. The District's subvention funds in fiscal year 2001/2002 were \$2.6 million.

Mr. Tanaka reported that the Governor's proposal would shift \$1.3 billion in property taxes from local governments to the State. The Governor's proposal does not specify if the Air District is included in this shift. If the District is included, it is unknown how much of a reduction in property tax there would be. Currently, property tax revenues of \$15.5 million are 37% of the District's operating budget. Mr. Tanaka reviewed the State revenues and expenditures for the 2004/2005 fiscal year.

There was discussion on the propositions on the ballot and it was noted that staff is working on the budget now and it would be presented to the Board in April for referral to this Committee.

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

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

Mr. Tanaka presented the Second Quarter Financial Report for Fiscal Year 2003/2004 and reviewed the Statement of Revenue and Statement of Expenditures comparing the budget to actual. Mr. Tanaka noted that the Capital Outlay expenditures would even out as projects on the building are completed and paid for. Mr. Tanaka reviewed the income and expenditures of the Transportation Fund for Clean Air (TFCA) fund.

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

6. Request Approval of Transfer of Funds from Reserve for Contingencies for Lawn Mower Buyback Program: *Requested approval to transfer \$135,000 from Reserve for Contingencies to fund the Lawn Mower Buyback Program.*

Peter Hess, Deputy APCO, presented the report and provided background information on the Lawn Mower Buyback Program. Mr. Hess stated that at the last Public Outreach Committee meeting staff requested that \$135,000 be transferred from the Reserve for Contingencies fund to the Lawn Mower Buyback Program. 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 to sponsor local lawn mower buyback programs. Mr. Hess noted that Home Depot and Black & Decker will contribute a total of \$69,000 and the Yolo-Solano Air District will contribute \$5,000 to the Solano program. Approximately 2400 mowers will be exchanged. Staff is also working with Alameda County to coordinate another lawn mower buyback program in that county again this year.

The Committee discussed the amount of the Reserves and Mr. Tanaka provided some background and noted that \$265,000 would be left in the Reserves once the \$135,000 was transferred. Mr. Tanaka reported that there are also Reserves set aside for other items, such as furniture replacement, the PERS pick-up, and Phase II of the ERP.

In response to a question from Director Daly, Mr. Hess stated that funding from the District for last year's program was \$60,000; this year only \$35,000 was budgeted. This year the District was unable to obtain funding from several sources, such as Pacific Gas & Electric Co. (PG&E), that have provided funding in the past. One thousand six hundred lawn mowers were exchanged last year and it is anticipated that 2400 will be exchanged this year. Staff has started discussions with PG&E for possible funding for this program next year.

Committee Action: The consensus of the Committee was to forward this request to the full Board for approval.

7. Committee Member Comments/Other Business. There were none.

8. Time and Place of Next Meeting: Chairperson Miller cancelled the March 24, 2004 meeting. The next meeting is scheduled for 9:45 a.m., Wednesday, April 28, 2004.

9. Adjournment: The meeting adjourned at 10:26 a.m.

/s/ Mary Romaidis
Mary Romaidis
Clerk of the Boards