



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

BOARD OF DIRECTORS BUDGET AND FINANCE COMMITTEE MEETING

COMMITTEE MEMBERS

JULIA MILLER - CHAIRPERSON
HAROLD BROWN
SCOTT HAGGERTY
PATRICK KWOK
GAYLE B. UILKEMA

CHRIS DALY - VICE CHAIRPERSON
ROBERTA COOPER
JERRY HILL
MARK ROSS

WEDNESDAY
SEPTEMBER 28, 2005
9:45 A.M.

FOURTH 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 three (3) minutes each.
3. **APPROVAL OF MINUTES OF MAY 18, 2005**
4. **FOURTH QUARTER FINANCIAL REPORT FOR FISCAL YEAR 2004/2005** J. McKay/4629
jmckay@baaqmd.gov
The financial report for the fourth quarter of fiscal year 2004/2005 will be presented. This will be an informational item.
5. **CONSIDER REQUEST TO INCREASE CREDIT CARD LIMITS AND ISSUE ADDITIONAL CARDS** J. McKay/4629
jmckay@baaqmd.gov
The Committee will consider recommending Board of Director approval of authorization to increase the credit card limit of the Executive Officer/APCO and the issuance of credit cards to senior management staff.
6. **CONSIDER REQUEST TO AMEND FISCAL YEAR 2005/2006 BUDGET AND TRANSFER FUNDS FROM RESERVE FOR BUILDING AND FACILITIES** J. McKay/4629
jmckay@baaqmd.gov
The Committee will consider recommending Board of Director approval of request to increase fiscal year 2005/2006 budget and transfer funds from Reserve for Building and Facilities.
7. **CONSIDER RECOMMENDING APPROVAL OF PURCHASE ORDER, AMENDMENT TO FY 2005/2006 BUDGET AND TRANSFER FUNDS FROM RESERVE FOR PRODUCTION SYSTEM**

J. McKay/4629

The Committee will consider recommending Board of Director approval to transfer \$250,000 from Reserve for Production System, approve an increase in the Information Systems Professional Services budget of \$250,000 and approve a purchase order to CH2MHill in an amount not to exceed \$250,000 for configuration and building of an Oracle database.

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 – AT THE CALL OF THE CHAIR

10. ADJOURNMENT

CONTACT CLERK OF THE BOARD - 939 ELLIS STREET SF, 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 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
Immediately Following Board Meeting, Wednesday, May 18, 2005

1. **Call to Order:** Chairperson Julia Miller called the meeting to order at 10:49 a.m.

Roll Call: Julia Miller, Chair; Roberta Cooper, Chris Daly, Scott Haggerty, Jerry Hill, Mark Ross, Gayle B. Uilkema.

Absent: Harold Brown, Patrick Kwok.

Also Present: Marland Townsend, Shelia Young.

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

3. **Approval of Minutes of May 5, 2005:** Director Cooper moved approval of the minutes; seconded by Director Hill; carried without objection.

4. **Third Quarter Financial Report for Fiscal Year 2004/2005:** *The Financial Report for the Third Quarter of Fiscal Year 2004/2005 was presented. This is an informational item.*

Jeff McKay, Interim Director of Administrative Services, presented the report and reviewed the Statement of Revenue and Expenditures for the General Fund and the Transportation Fund for Clean Air (TFCA) Fund. Mr. McKay also provided a list of the fund balances for special reserves and unreserved.

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

5. **Consider Request to Revise Fiscal Year 2004/2005 Budget:** *The Committee considered staff recommendations to amend the District's approved FY 2004/2005 budget.*

Mr. McKay presented the recommendations to revise the fiscal year 2004/2005 approved budget. Mr. McKay reviewed the amended revenue projections and the accelerated capital outlay recommendations. A new line item to the Public Information and Outreach Professional Services in the amount of \$250,000 would be added for costs related to the 50th Anniversary Symposium. A corresponding revenue line item of \$250,000 would be added to recognize sponsorship income from this event. A detailed list of accelerated capital outlay recommendations was provided to the Committee.

Committee Action: Director Daly moved that the Committee recommend that the Board of Directors approve the following:

- Increase the District's approved fiscal year Penalties and Settlements Revenue budget by \$800,000 to \$2,800,000 and County Revenue budget by \$638,000 to \$14,961,175 for a total increase of \$1,438,000;
- Increase the fiscal year 2004/2005 Capital Outlay for Building and Grounds by \$1,090,600, the Outlay for Motorized Equipment by \$130,000, the Outlay for Lab & Monitoring Equipment by \$171,400, and the Outlay for Computer & Network Equipment by \$46,000, for a total increase of \$1,438,000; and
- Add a new line item in the fiscal year 2004/2005 Public Information and Outreach Professional Services budget for costs related to the 50th Anniversary Symposium in the amount of \$250,000, and correspondingly add a revenue line item of \$250,000 to recognize sponsorship income for this event.

Director Hill seconded the motion and the motion carried unanimously without objection.

- 6. Continued Discussion and Consideration of Recommended Adoption of Proposed Amendments to Fee Regulation:** *The Committee continued discussions on the proposed amendments to the fee schedules and considered recommending Board of Director adoption of fee regulation.*

Brian Bateman, Director of Engineering, presented an update of the proposed amendments to the fee regulation. Mr. Bateman reviewed the background of the proposed fee amendments and the rule development schedule. It was noted that some Gasoline Dispensing Facilities are opposed to some of the proposed fees. The impact of the proposed amendments on annual permit renewal fees for various types of facilities was reviewed.

Speaker: Dennis Bolt
Western States Petroleum Association

Jack Broadbent, Executive Officer/APCO, reiterated the recommended action that the Committee consider recommending that the Board of Directors adopt the proposed amendments to the fee regulation for fiscal year 2005/2006.

Committee Action: Director Cooper moved the staff's recommendation; seconded by Director Daly; carried unanimously without objection.

- 7. Continued Discussion and Consideration of Recommended Adoption of Fiscal Year 2005/2006 Draft Budget:** *The Committee continued discussions on the proposed FY 2005/2006 budget and considered recommending adoption by the Board of Directors.*

Mr. Broadbent presented the report and provided an overview of the budget and reviewed the challenges facing the Air District in the upcoming fiscal year. There was discussion on the proposed 9/80 work schedule and what the savings would be for the District.

Committee Action: Director Hill moved that the Committee recommend the Board of Directors adopt the proposed fiscal year 2005/2006 budget; seconded by Director Cooper; carried unanimously without objection.

- 8. Committee Member Comments/Other Business.** Chairperson Miller thanked the Committee members for staying after the Regular Board meeting to attend this meeting.

- 9. Time and Place of Next Meeting:** At the Call of the Chair. The June 22nd meeting is cancelled.
- 10. Adjournment:** The meeting adjourned at 11:37 a.m.

Mary Romaidis
Clerk of the Boards

BAY AREA AIR QUALITY MANGEMENT DISTRICT

Office Memorandum

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

From: Jack P. Broadbent
Executive Officer/APCO

Date: September 19, 2005

Re: Fourth Quarter Financial Report – Fiscal Year 2004-05

RECOMMENDED ACTION:

Informational report. Receive and file.

DISCUSSION

GENERAL FUND BUDGET: STATEMENT OF REVENUE

Comparison of Budget to Actual Revenue

- County Revenue receipts were \$15,071,500 (100.7%) of budgeted revenue. As usual, Alameda, San Mateo and Santa Clara counties accounted for the majority of the receipts received.
- Permit Fee receipts were \$16,600,364 (102.1%) of budgeted revenue.
- Asbestos Fees were \$1,641,880 (126.3%) of budgeted revenue.
- Penalties and Settlements were \$3,090,636 (110.4%) of budgeted revenue.
- CMAQ Funding was \$1,779,643 (144.9%) of budgeted revenue.
- State Subvention was \$1,730,915 (92.9%) of budgeted revenue.
- Interest Income was \$559,635 (114.2%) of budgeted revenue.
- Miscellaneous Revenue receipts were \$494,459 (116.3%) of budgeted revenue.

GENERAL FUND BUDGET: STATEMENT OF EXPENDITURES

Comparison of Budget to Actual Expenditures

- Salaries and Benefits were \$30,653,943 (93.1%) of estimated expenditures.
- Operational Services and Supplies were \$10,910,592 (113.9%) of estimated expenditures.
- Capital Outlay was \$920,711 (18.5%) of estimated expenditures.

TFCA FUND: STATEMENT OF INCOME AND EXPENDITURES

- Total Revenue was \$6,917,498 (112.2%) of estimated revenue and expenditures.
- In keeping with TFCA Fund requirements, expenditures must equal revenue.
- Salary and Benefits were \$1,405,452 (90.5%) of estimated expenditures.
- Operational Services and Supplies were \$5,512,046 (119.6%) of estimated expenditures.

BUDGET CONSIDERATION/FINANCIAL IMPACT

No impact on Fiscal Year 2004/2005 budget.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Michael White

Reviewed by: Jeff McKay

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Office Memorandum

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

From: Jack P. Broadbent
Executive Officer/APCO

Date: September 20, 2005

Subject: Request to Increase Credit Card Limits and Issue Additional Cards

RECOMMENDED ACTION

Consider recommending Board of Director approval of request to increase the Executive Officer/APCO credit card limit from \$5,000 to \$10,000 and to issue credit cards to senior management staff of the agency with credit limits of \$10,000. This will increase the District's total credit card limit from \$15,000 to \$60,000.

BACKGROUND

The District has three credit cards, each having a \$5,000 credit limit, currently issued to the Executive Officer/APCO and two Division Directors. In order to enhance the operational efficiency of the District, staff is recommending that the Executive Officer's credit limit be increased to \$10,000 and increase the two existing Division Director limits to \$10,000 each. This recommendation will also provide similar cards to the District Counsel and the DAPCOs. The Table below compares the District's current credit card structure to the proposed structure.

CARDHOLDER	CURRENT CREDIT LIMIT	PROPOSED CREDIT LIMIT
Executive Officer/Air Pollution Control Officer	\$ 5,000	\$ 10,000
District Counsel	---	10,000
Deputy Air Pollution Control Officer	---	10,000
Deputy Air Pollution Control Officer	---	10,000
Administrative Services Director	5,000	10,000
Technical Services Director	5,000	10,000
TOTAL CREDIT LIMIT	<u>\$15,000</u>	<u>\$60,000</u>

BUDGET CONSIDERATIONS/FINANCIAL IMPACTS

Increasing the District's credit card limit and issuing additional cards will have no impact on the District's budget.

Respectfully Submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Michael White
Reviewed by: Jeff McKay

BAY AREA AIR QUALITY MANGEMENT DISTRICT

Office Memorandum

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

From: Jack P. Broadbent
Executive Officer/APCO

Date: September 22, 2005

Re: Rooftop Safety Anchors and Air District Building West Exterior Epoxy Injection:
Consider Approval of Increase in FY 2005/2006 Budget, and Transfer from Reserve
for Building and Facilities

RECOMMENDED ACTION:

Consider recommending that the Board of Directors approve staff's recommendation to transfer \$122,000 from the Reserve for Building and Facilities, and approve an increase in the Administrative Services Building Maintenance budget of \$60,000 for installation of rooftop Safety Anchors, and approve an increase in the Administrative Services Building Maintenance budget of \$62,000 for Air District Building West Exterior Epoxy Injection.

DISCUSSION

CAL OSHA requires certified anchoring devices and an OPOS (Operations Procedure Outline Sheet) on San Francisco commercial building rooftops. The anchors are used during servicing of the building, including window washing and painting. These funds will provide for design and engineering of the anchors, for installation, and for creation of the OPOS sheet referenced above.

Cracks in the west side of the 939 Ellis Street facility have been considered for epoxy injection over the last several years. A recent increase in the volume of leakage from those cracks motivates the current recommendation for epoxy injection. This work will include epoxy injection followed by elastic sealant, primer, and ground-to-roof paint.

BUDGET CONSIDERATION/FINANCIAL IMPACT

The FY 2005/2006 Administrative Services Building Maintenance budget will be increased by \$122,000 with a transfer from the Reserve for Building and Facilities.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Jeff McKay

BAY AREA AIR QUALITY MANGEMENT DISTRICT

Office Memorandum

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

From: Jack P. Broadbent
Executive Officer/APCO

Date: September 22, 2005

Re: Production System Replacement of IRIS and DataBank: Consider Approval of Purchase Order, Increase of FY 2005/2006 Budget, and Transfer from Reserve for Production System

RECOMMENDED ACTION:

Consider recommending Board of Directors approval of staff's recommendation to transfer \$250,000 from the Reserve for Production System, and approve an increase in the Information Systems Professional Services budget of \$250,000, and approve a Purchase Order not to exceed \$250,000 to CH2MHill for configuration and building of an Oracle database.

DISCUSSION

Air District databases are located on multiple platforms and their structure reflects ad hoc growth over a period of nearly twenty years. A key opportunity associated with replacement of IRIS and Databank is the opportunity to substitute a planned Oracle database structure for the existing non-optimal database architecture. Modern relational database structures are inextricably linked to the business functions and associated processes that employ and create the data elements. For this reason, the District benefits by employing a vendor with specific experience in the field of air quality regulation and even with experience in the District's specific processes. CH2MHill is recommended as the sole source based on these criteria, and based on the high costs of training other vendors. This work will result in a populated, functioning Oracle database suitable for use in the upcoming pilot projects at the District. These pilot projects will focus on the Authority to Construct process.

BUDGET CONSIDERATION/FINANCIAL IMPACT

The FY 2005/2006 Information Systems Budget will be increased by \$250,000 with a transfer from the Reserve for Production System.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Jeff McKay