

**Bay Area Air Quality Management District
939 Ellis Street
San Francisco, California 94109**

APPROVED MINUTES

Summary of Board of Directors
Budget & Finance Committee Meeting
9:45 a.m., Wednesday, September 27, 2006

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

Roll Call: Chris Daly, Chair; Harold Brown, Dan Dunnigan, Jerry Hill, Mark Ross, Tim Smith.

Absent: Erin Garner, Patrick Kwok.

Also Present: Gayle B. Uilkema.

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

3. **Approval of Minutes of May 30, 2006:** Director Smith moved approval of the minutes; seconded by Director Hill; carried unanimously without objection.

4. **Fourth Quarter Financial Report – Fiscal Year 2005-2006:** *Staff presented to the Committee the fourth quarter financial report for Fiscal Year 2005-06.*

Jeff McKay, Chief Financial Officer, presented the report and reviewed the General Fund statement of revenue and statement of expenditures; the Transportation Fund for Clean Air (TFCA) fund statement of revenue and expenditures; and the fund balances. There were no public comments on this agenda item.

The Committee discussed the designation of Carl Moyer funds for the inter-district projects from the passage of SB 225. Projects for these funds will be identified at a later date. In discussion of the penalty settlements that the Air District received, Brian Bunger, Counsel, stated that there were no Supplemental Environmental Projects (SEPs) associated with the Tesoro settlement. Board Chair Uilkema requested staff provide a report on the SEP fund at a future meeting. Chair Daly requested staff bring information back to the Committee as the money is accumulated in the mitigation fund.

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

5. **Deferred Maintenance: Carpet, Furniture, Server Space and ADA Compliance of Restroom:** *The Committee considered recommending that the Board of Directors approve the transfer of \$961,860 from the Reserve for Building and Facilities and approve an increase in the Fiscal Year 2006/2007 Building Maintenance Capital Outlay budget of*

\$961,860, and authorize the Executive Officer/APCO to issue purchase orders not to exceed \$961,860 for deferred maintenance of building.

Mr. McKay presented information on the deferred maintenance and indicated that the furniture and carpeting will be standardized for easier replacement in the future. Mr. McKay reviewed the cost comparison of several vendors for the carpet and furniture. The scope of the deferred maintenance includes prioritizing five of tens wings for furniture and carpet replacement, upgrading the 7th floor restroom to meet the requirements of the American's with Disabilities Act (ADA), and installing a secondary server room on the 6th floor. A cost breakdown was provided on the work being done on each wing of the building.

Committee Action: Director Brown moved that the Committee recommend that the Board of Directors approve the staff recommendation to transfer \$961,860 from the Reserve for Building and Facilities and approve an increase in the Fiscal Year 2006/2007 Building Maintenance Capital Outlay budget of \$961,860, and authorize the Executive Officer/APCO to issue purchase orders not to exceed \$961,860; seconded by Director Ross; carried unanimously without objection.

6. **Consider Amending FY 2006/07 Budget to Recognize Increased Revenue from Homeland Security Grant:** *The Committee considered recommending that the Board of Directors amend the FY 2006/07 Budget by increasing the Department of Homeland Security (DHS) Grant Revenue from \$1,943,818 to a total of \$2,087,103, and correspondingly increase the budget for Bio Watch (Program 809), and authorize the Executive Officer/APCO to issue a purchase order for monitoring equipment not to exceed \$143,285.*

Gary Kendall, Director of Technical Services, presented the report and stated that this grant will allow the purchase of monitoring equipment for possible future expansions into indoor transportation hubs and to provide back-up equipment for the existing network. Staff recommended that the Committee recommend that the Board of Directors amend the Fiscal Year 2006/2007 Budget by increasing the DHS Grant Revenue from \$1,943,818 to a total of \$2,087,103, and correspondingly increase the budget for BioWatch (Program 809), and authorize the Executive Officer/APCO to issue a purchase order for monitoring equipment not to exceed \$143,285.

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

7. **Replacement of the Field Communications System:** *The Committee considered recommending that the Board of Directors transfer \$425,000 from the reserve for radio replacement and approve an increase in the FY 2006/2007 Communications Equipment Capital Outlay Budget by \$425,000, and authorize the Executive Officer/APCO to issue purchase orders not to exceed \$425,000.*

Kelly Wee, Director of Compliance and Enforcement, presented the report and stated that the current Field Communications System was constructed in the mid-1970's. A reserve account for the replacement of the system was established several years ago and has now reached \$3.5 million. Mr. Wee presented an overview of the communications systems now in place; the Request for Proposals (RFP) timeline and rating criteria; and a comparison of the RFP's from Telepath, Sprint, and IP Mobile. Mr. Wee noted that none of the bids received

integrated both voice communications and data transmission. A review of the multiplatform systems costs was also presented.

Mr. Wee discussed options regarding the FCC frequencies the Air District uses, such as selling them to the California Office of Emergency Services. In addition, the leases on the towers currently being used by the Air District would be terminated. The District's equipment would be removed from the towers. Staff recommended that the Committee consider recommending that the Board of Directors transfer \$425,000 from the Reserve for Radio Replacement and approve an increase in the Fiscal Year 2006/2007 Communications Equipment Capital Outlay budget by \$425,000, and authorize the Executive Officer/APCO to issue purchase orders with a total not to exceed \$425,000.

Director Uilkema requested staff provide information on the life expectancy of the new system. Director Dunnigan requested staff to bring in one of the hand-held's. The Committee directed staff to investigate the issue of terminating the leases on the towers currently in use by the District and the radio frequencies used by the District.

Committee Action: Director Ross moved the staff recommendation and, in addition, staff is requested to report back to the Committee at its next meeting regarding the issue of terminating leases on towers that are currently being used and use of the District's current FCC radio frequencies; seconded by Director Uilkema.

There were no public comments on this agenda item. The motion then carried unanimously without objection.

8. **Committee Member Comments/Other Business.** There were none.
9. **Time and Place of Next Meeting:** The next Committee meeting will be at the Call of the Chair.
10. **Adjournment:** The meeting adjourned at 10:39 a.m.

/s/ Mary Romaidis
Mary Romaidis
Clerk of the Boards