

Bay Area Air Quality Management District
939 Ellis Street
San Francisco, California 94109
(415) 749-5000

APPROVED MINUTES

Summary of Board of Directors
Budget & Finance Committee Meeting
9:30 a.m., Wednesday, April 25, 2007

1. **Call to Order:** Chairperson Chris Daly called the meeting to order at 9:31 a.m.

Roll Call: Chris Daly, Chair; Harold Brown (arrived at 9:42 a.m.), Scott Haggerty, Jerry Hill, Patrick Kwok, Michael Shimansky, Pamela Torliatt (arrived at 9:45 a.m.), Gayle B. Uilkema.

Absent: Tim Smith.

Also Present: Mark Ross, John Silva, Carol Klatt (9:38 a.m.), Jake McGoldrick (9:55 a.m.).
2. **Public Comment Period:** There were none.
3. **Approval of Minutes of March 26, 2007:** Director Hill moved approval of the minutes; seconded by Director Haggerty; carried unanimously without objection.
4. **Third Quarter Financial Report for Fiscal Year 2006/2007:** *Staff provided a presentation on the Third Quarter Financial Report for FY 2006/2007. This was an informational item only.*

Director Carol Klatt arrived at 9:38 a.m.

Jeff McKay, Director of Finance, Administration & Information Systems, presented the report, provided background information on the report which included the following:

- Comparison of Budget to Actual Revenue;
- Comparison of Budget to Actual Expenditures;
- TFCA Fund: Statement of Revenue and Expenditures (Comparison of Budget to Actual); and
- Fund Balances

Mr. Broadbent, Executive Officer/APCO noted that the Air District will have additional settlement revenues that will come in leaving the Air District in a sound financial position.

Director Shimansky expressed concerned over the Reserve for PERS Funding, noting that he noticed the amount was lower than previous years. Mr. McKay's response was that this was due to a change in the Air District's Super Funding status in the amount of about \$400K.

Director Harold Brown arrived at 9:42 a.m.

5. Continued Discussion of Proposed Budget for Fiscal Year 2007/2008: *The Committee continued discussions on the proposed budget for Fiscal Year 2007/2008.*

Jack Broadbent, Executive Officer/APCO, summarized briefing provided to the Committee at the March 26, 2007 meeting and noting the cost for proposed staff changes and growth.

Director Pamela Torliatt arrived at 9:45 a.m.

The budget is designed to continue and enhance a number of programs at the District. Mr. McKay noted an increase of 2.4 full time employees (FTE's). In addition to the increase of the full time employees, Mr. McKay provided information regarding the position changes. As a follow up to the Committee's request, Mr. McKay also provided information on the increase in reserves from \$2.6M in 1998 to \$28.4M currently. In addition, Mr. McKay noted that the expenditures have been below budget by 3%.

Director Kwok asked Mr. McKay what is the breaking point for the trends of reserves, is it \$50M or \$70M. Mr. McKay's response was that the reason the cap was set is due to county revenues, inflation and unfunded medical.

Director McGoldrick arrived at 9:55 a.m.

6. Committee Member Comments/Other Business. Director Uilkema expressed concerns and noted that perhaps the Air District should start their contributions to Other Public Employee Benefits (OPEB) sooner rather than later. Mr. Broadbent agreed with Director Uilkema and noted that the Air District will report back to the Committee within the next 6 months.

Committee Action: Director Torliatt moved that the Committee recommend that the Board of Directors adopt the proposed Fiscal Year 2007/2008 budget, upon completion of public hearings; seconded by Director Kwok; carried unanimously without objection.

7. Time and Place of Next Meeting: TBD – 939 Ellis Street, San Francisco, CA 94109

8. Adjournment: The meeting adjourned at 10:07a.m.

Vanessa Johnson
Acting Clerk of the Boards