

**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, December 12, 2007

1. **Call to Order:** Chairperson Chris Daly called the meeting to order at 9:30 a.m.

Roll Call: Chris Daly, Chair; Jerry Hill, Michael Shimansky, Tim Smith, Pamela Torliatt, Gayle B. Uilkema (9:40 a.m.).

Absent: Harold Brown, Scott Haggerty.

Also Present: Board Chair Mark Ross.

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

3. **Approval of Minutes of September 26, 2007:** Director Shimansky moved approval of the minutes; seconded by Director Hill; carried unanimously without objection.

4. **Fourth Quarter Financial Report For Fiscal Year 2007/2008:** *Staff presented to the Committee the first quarter financial report for Fiscal Year 2007-08.*

Jeff McKay, DAPCO/Chief Financial Officer, presented the first quarter financial report for the fiscal years 2007/2008.

Director Uilkema arrived at 9:40 a.m.

Committee Action: The Committee accepted the report.

5. **Update on Other-Than-Pension Post-Employment Benefits (OPEB) and Air District Use of CalPERS As Funding Agent:** *The Committee considered recommending that the Board of Directors authorize the Executive Officer/APCO to execute agreements to Pre-Fund Air District "Other Post Employment Benefits" (OPEB) through CalPERS, and provide initial contribution of \$2,800,000 from the designated Reserve.*

Mr. McKay provided the Committee with an overview of OPEB.

Mr. McKay noted that the Air District provides funds to its retirees' medical, dental and vision. The Air District provides a maximum amount which is more than most retirees require, but a few of the retirees contribute a small amount, which is probably less than 10% of the retirees. At this time, the Air District is paying out a certain dollar amount of funds to

its existing retirees to cover their medical benefits. What the Air District has never done, is set aside money as the obligation accrues.

The Air District will begin reporting its liability on financial statements.

Mr. McKay concluded his presentation and asked the Committee if there were any questions.

Committee Action: Director Uilkema moved approval of staff recommendation that the Board of Directors authorize the Executive Officer/APCO to execute agreements to Pre-Fund Air District "Other Post Employment Benefits" (OPEB) through CalPERS, and provide initial contribution of \$2,800,000 from the designated Reserve, seconded by Director Hill; carried unanimously without objection.

6. **Consideration of Transfer of Funds from Designated Reserves:** *The Committee considered recommending to the Board of Directors approval to transfer funds from the designated Reserve for the Cleaner Burning Technology Incentives Program and a corresponding increase to Program 302 budget; and transfer from the designated Reserve for Climate Protection and a corresponding increase to Program 608 budget.*

Mr. McKay provided the Committee with his presentation, which included a Cleaner Burning Technology Incentive program request for funding and a proposed list of Climate Protection grant awards.

The Committee considered staff's request to transfer \$100,000 from the designated reserve for the Cleaner Burning Technology Incentives Program for fireplace and woodstove replacement incentives for the 2008 Wood Smoke campaign to begin January 15, 2008.

The Committee considered staff's request to transfer up to \$1.5 million from the designated reserve for Climate Protection. Upon considerable discussion the Committee unanimously voted to recommend approval of up to \$3 million dollars to program 608 Climate Protection for grants awards.

After a lengthy discussion, the Committee provided direction to staff with regard to the woodsmoke campaign and the Climate Protection grant awards.

Committee Action: Director Torliatt moved to recommend that the Board of Directors' approve 1) the transfer of \$100,000 and a corresponding increase of \$100,000 to the FY 07/08 Program 302 budget for fireplace and woodstove replacement incentives; and 2) approve up to \$3 million to Program 608 Climate Protection for grant awards; seconded by Director Hill, carried unanimously without objection.

7. **Consideration of Resource Funding for IT Infrastructure to Support Business**
Continuity: *The Committee considered recommending that the Board of Directors authorize the Executive Officer/APCO execute agreements and issue Purchase Orders not to exceed \$600,000 to enhance Information Systems reliability and efficiency.*

Mr. McKay introduced John Chiladakis, Information Systems Manager, Mr. Chiladakis provided the Committee with his presentation to improve key elements of the Air District's information system technology infrastructure. Mr. Chiladakis stated that the existing infrastructure is anywhere from five to thirty years old, depending on the server, and the capabilities of those servers methods are quite limited.

He also stated that the Air District has 43 servers. These servers use significant power and the heat needs require extreme air conditioning to keep these systems cool. Mr. Chiladakis stated that the new system will support development of the production system.

Committee Action: Director Uilkema moved that the Committee recommend that the Board of Directors authorize the Executive Officer/APCO execute agreements and issue Purchase Orders not to exceed \$600,000 to enhance Information Systems reliability and efficiency; seconded by Director Ross; carried unanimously without objection.

8. **Consideration of Amendment of the FY 2007/2008 Budget to recognize increased revenue under an environmental protection agency (EPA) grant:** *The Committee considered recommending that the Board of Directors amend the FY 2007/2008 Budget to recognize increased revenue under an Environmental protection Agency Grant, and authorize the Executive Officer/APCO to execute purchase orders not to exceed \$185,000 for monitoring equipment.*

Committee Action: Director Uilkema moved staff recommendation that the Board of Directors amend the FY 2007/2008 Budget to recognize increased revenue under an Environmental protection Agency Grant, and authorize the Executive Officer/APCO to execute purchase orders not to exceed \$185,000 for monitoring equipment; seconded by Director Shimansky; carried unanimously without objection.

9. **Committee Member Comments/Other Business.** Director Uilkema suggested that staff communicate the message to Public Outreach Committee on woodsmoke.
10. **Time and Place of Next Meeting:** 9:30 a.m., Wednesday, January 23, 2008 – 939 Ellis Street, San Francisco, CA 94109
11. **Adjournment:** The meeting adjourned at 10:44 a.m.

/s/Charlene Forbush
Charlene Forbush
Legal Assistant