

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, May 6, 2009

- Call to Order:** Chairperson Chris Daly called the meeting to order at 9:15 a.m.
- Roll Call:** Chairperson Chris Daly; Committee Members Carole Groom, Mark Ross, Michael Shimansky, Gayle B. Uilkema and Brad Wagenknecht
- Absent:** Vice Chairperson Harold Brown; Committee Members Scott Haggerty and Eric Mar
- Public Comment Period:** There was no public comment.

Approval of Minutes of April 29, 2009: Deputy APCO Jeffrey McKay requested the last sentence under Air Monitoring and Laboratory Equipment from Reserves, page 3, be amended as follows:

*"The cost of \$343,550 is recommended to be taken from ~~Undesignated Reserves~~
Reserve for Contingencies."*

Director Wagenknecht moved approval of the minutes of April 29, 2009, as amended; seconded by Director Groom; carried unanimously without objection.

Consideration and Approval of a Revised Appendix C-Fund Balances in the Proposed FYE 2010 Budget – Presentation by Deputy APCO, Jeffrey McKay

Overview:

At the April 29th Committee meeting the Committee approved the proposed Budget for FYE 2010, as amended, with the exception of Appendix C-Fund Balances, and directed staff to bring back recommendations for Appendix C-Fund Balances.

Mr. McKay discussed modifications and presented options to the Reserve structure, noting that the proposal does not change total fund balances or encumber funds, but rather considers allocations:

- Option A - existing Fund Balances;
- Option B - allocates \$1 million each for a total of \$6 million (Special Reserves):
 - Building & Facilities; Capital Equipment and Climate Protection
 - \$3 million to OPEB
- Option C - allocates \$1 million each to:
 - Building & Facilities, Capital Equipment, Climate Protection
 - \$4 million for Contingencies (Reserve for Economic Uncertainties)
 - \$3 million for OPEB

- Option D - allocates the following:
 - \$3 million for Building & Facilities
 - \$2 million for Capital Equipment
 - \$1 million for Climate Protection
 - \$4 million for OPEB (Reserve for Economic Uncertainties)

Committee Member Comments:

Committee Members questioned examples of capital equipment allocation, discussed the 15% Reserve target, comparisons between Options C and D, funding for climate protection and potential benefits regarding the timing of purchasing capital equipment.

Motion: Director Shimansky made a motion to recommend Option C; Director Uilkema seconded the motion.

After brief discussion, Director Uilkema withdrew her second to the original motion. There was no second to the original motion, and the motion died for lack of a second.

Committee Action: Vice Chair Wagenknecht made a motion to recommend Option D, with direction to staff to return to the Committee and: 1) Provide information on present date OPEB liability; 2) Develop recommended proposals for encumbrances; and 3) Develop recommended proposals for Building & Facilities and Capital Equipment; Director Groom seconded the motion; carried unanimously without objection.

Committee Member Comments: Director Ross reported on San Mateo Community College District's lawsuit regarding Lehman Brothers' bailout funding. Director Groom reported on Congressman Frank's hearing relating to Air District funding.

Time and Place of Next Meeting: At the Call of the Chair

Adjournment: The meeting adjourned at 9:41 a.m.

/s/ Lisa Harper
Clerk of the Boards