



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

BOARD OF DIRECTORS
BUDGET AND FINANCE COMMITTEE MEETING

COMMITTEE MEMBERS

CHRIS DALY – CHAIRPERSON
CAROLE GROOM
JENNIFER HOSTERMAN
MICHAEL SHIMANSKY

HAROLD BROWN - VICE CHAIRPERSON
SCOTT HAGGERTY
MARK ROSS
GAYLE B. UILKEMA
BRAD WAGENKNECHT

MONDAY
MARCH 30, 2009
9:30 A.M.

FOURTH FLOOR CONFERENCE ROOM
DISTRICT OFFICES

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 FEBRUARY 25, 2009**
4. **UPDATE ON PROPOSED FEE AMENDMENTS TO REGULATION 3: FEES** J. McKay/4629
jmckay@baaqmd.gov
The Committee will receive an update on proposed fee amendments to Regulation 3: Fees.
5. **DISCUSSION OF PROPOSED BUDGET FOR FISCAL YEAR 2009/2010** J. McKay/4629
jmckay@baaqmd.gov
The Committee will consider the proposed budget for Fiscal Year 2009/2010.
6. **CONSIDER RECOMMENDING THAT THE BOARD OF DIRECTORS AMEND FY 2008/2009 OPERATING BUDGET TO RECOGNIZE INCREASED REVENUE UNDER AN ENVIRONMENTAL PROTECTION AGENCY GRANT AND AUTHORIZE THE EXECUTIVE OFFICER TO ISSUE A PURCHASE ORDER FOR INSTRUMENTATION REQUIRED BY THE GRANT** J. Broadbent/5052
jbroadbent@baaqmd.gov
The Committee will consider recommending that the Board of Directors amend the FY 2008/2009 operating budget to recognize increased revenue under an Environmental Protection Agency Grant and authorize the Executive Officer to issue a purchase order for instrumentation required by the grant.

7. **RESPONSE TO RECOMMENDATIONS FROM AIR DISTRICT ANNUAL AUDIT: SCHEDULE FOR ADOPTION OF ADMINISTRATIVE POLICIES**
J. Broadbent/5052
jbroadbent@baaqmd.gov

The Committee will receive an update on the Air District's response to recommendations relative to administrative policies.

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 – 9:30 A.M., WEDNESDAY, APRIL 29, 2009, 939 ELLIS STREET, SAN FRANCISCO, CA 94109**

10. **ADJOURNMENT**

CONTACT EXECUTIVE OFFICE - 939 ELLIS STREET SF, CA 94109

(415) 749-5127
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.
- Any writing relating to an open session item on this Agenda that is distributed to all, or a majority of all, members of the body to which this Agenda relates shall be made available at the District's offices at 939 Ellis Street, San Francisco, CA 94109, at the time such writing is made available to all, or a majority of all, members of that body. Such writing(s) may also be posted on the District's website (www.baaqmd.gov) at that time.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
939 ELLIS STREET, SAN FRANCISCO, CALIFORNIA 94109
(415) 771-6000

EXECUTIVE OFFICE:
MONTHLY CALENDAR OF DISTRICT MEETINGS

MARCH 2009

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Public Outreach Committee <i>(Meets 1st Thursday every other Month)</i> - CANCELLED	Wednesday	25	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Mobile Source Committee <i>(Meets 4th Thursday of each month)</i>	Thursday	26	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Public Outreach Committee <i>(Meets 1st Thursday every other Month)</i>	Friday	27	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Budget & Finance Committee <i>(Standing Committee Meeting Date Under Consideration)</i>	Monday	30	9:30 a.m.	4 th Floor Conf. Room

APRIL 2009

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	1	9:45 a.m.	Board Room
Advisory Council Regular Meeting	Wednesday	8	9:00 a.m.	Board Room
Board of Directors Legislative Committee <i>(Meets 2nd Thursday of each Month)</i>	Thursday	9	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Climate Protection Committee <i>(Meets 2nd Thursday each Month)</i>	Thursday	9	Immediately Following Legislative Cme. Meeting	4 th Floor Conf. Room
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	15	9:45 a.m.	Board Room
Board of Directors Stationary Source Committee <i>(Meets 3rd Monday Quarterly)</i>	Monday	20	9:30 a.m.	Board Room
Board of Directors Mobile Source Committee - <i>(Meets 4th Thursday of each Month)</i>	Thursday	23	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Budget & Finance Committee <i>(Standing Committee Meeting Date Under Consideration)</i>	Wednesday	29	9:30 a.m.	4 th Floor Conf. Room

MAY 2009

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	6	9:45 a.m.	Board Room
Board of Directors Public Outreach Committee <i>(Meets 1st Thursday every other Month)</i>	Thursday	7	9:30 a.m.	4 th Floor Conf. Room

MAY 2009

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Advisory Council Regular Meeting	Wednesday	13	9:00 a.m.	Board Room
Board of Directors Legislative Committee <i>(Meets 2nd Thursday of each Month)</i>	Thursday	14	9:30 a.m.	4th Floor Conf. Room
Board of Directors Climate Protection Committee <i>(Meets 2nd Thursday each Month)</i>	Thursday	14	Immediately Following Legislative Cme. Meeting	4th Floor Conf. Room
Joint Policy Committee	Friday	15	10:00 a.m.	MTC Auditorium 101 8th Street Oakland, CA 94607
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	20	9:45 a.m.	Board Room
Board of Directors Mobile Source Committee – <i>(Meets 4th Thursday of each Month)</i>	Thursday	28	9:30 a.m.	4th Floor Conf. Room

HL – 3/24/09 (9:18 a.m.)

P/Library/Forms/Calendar/Calendar/Moncal

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Daly and Members
of the Budget and Finance Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: March 17, 2009

Re: Budget and Finance Committee Draft Meeting Minutes

RECOMMENDED ACTION:

Approve attached draft minutes of the Budget and Finance Committee meeting of February 25, 2009.

DISCUSSION

Attached for your review and approval are the draft minutes of the February 25, 2009 Budget and Finance Committee meeting.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

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

DRAFT MINUTES

Summary of Board of Directors
Budget & Finance Committee Meeting
1:30 p.m., Wednesday, February 25, 2009

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

Roll Call: Chairperson, Chris Daly, Vice Chairperson, Harold Brown; Committee Members Mark Ross, Michael Shimansky, Gayle B. Uilkema and Brad Wagenknecht

Absent: Scott Haggerty

Also Present: Chairperson Pamela Torliatt
2. **Public Comment Period:** There was no public comment.
3. **Approval of Minutes of January 28, 2009:** Director Shimansky moved approval of the minutes; seconded by Director Wagenknecht; carried unanimously without objection.

Item 5 was moved up on agenda for discussion

5. **Review of Air District Financial Audit Report 2007/2008 - Presentation by Katherine Yuen and Chris Hunt; Maze and Associates**

Overview:

The Independent Auditors report confirmed that Air District financial statements present fairly, in all material respects, the financial position of the Air District in conformity with generally accepted accounting principles.

Audit Results:

- Audit did not identify deficiencies in internal control considered to be material weaknesses;
- Air District complied in all material respects with the requirements applicable to each of its major federal programs for the year ending June 30, 2008;
- Schedule of deficiencies identified and discussed.

Committee Comments/Discussion:

Shimansky: Information Systems server security; timeframe to conduct and receive District audit
Hosterman: IS patch and firewall management

Brown: Confirmed District is conducting internal network scan

Torliatt: Suggested timeline for Board adoption of policies

Daly: Supported existing District travel policy

Staff Comments:

Jeff McKay: IS information not compromised; will report back on the District's upcoming internal network scan and recommended drafting policies with timeline for adoption to follow.

Committee Action: Director Wagenknecht made a motion to accept and file the Air District Financial Audit Report 2007/2008 and recommend District staff: 1) update the Committee on the District's upcoming internal network scan; 2) add the San Mateo County Investment Pool to the Quarterly Report, and 3) return to the Committee with a timeline for Board adoption of policies; seconded by Director Brown; carried unanimously without objection.

4. First Quarter Financial Report – Fiscal Year 2008/2009 - Staff Presentation by Deputy APCO Jeff McKay:

GENERAL FUND: STATEMENT OF REVENUE

Comparison of Budget to Actual Revenue

- County receipts totaled \$221,611 (1%) of budgeted revenue.
- Permit Fee receipts were \$11,803,289 (52%) of budgeted revenue.
- Title V Permit Fees were \$1,853,262 (73%) of budgeted revenue.
- Asbestos Fees were \$480,667 (25%) of budgeted revenue.
- Toxic Inventory Fees were \$257,166 (47%) of budgeted revenue.
- Penalties and Settlements were \$768,519 (31%) of budgeted revenue.
- Miscellaneous Revenue receipts were \$8,565 (2%) of budgeted revenue.
- Interest Revenue was (\$1,445,184) which totaled (-101%) of budgeted revenue.

GENERAL FUND BUDGET: STATEMENT OF EXPENDITURES

Comparison of Budget to Actual Expenditures

- Salaries and Benefits were \$9,059,059 (21%) of budgeted expenditures.
- Operational Services and Supplies were \$1,836,393(11%) of budgeted expenditures.
- Capital Outlay was \$155,722 (7%) of budgeted expenditures.

Additional Information:

Fund Balances - healthy undesignated balance of \$6,358,308

Total Fund Balance \$23,951,360

Committee Discussion:

Shimansky: Clarified that the \$3,000,000 Climate Protection funding in 2007 was one-time grant program funding

Torliatt: Clarified forecasting of PERS to be discussed under Agenda Item 6; Regulation 3: Fees

Daly: Recommended updating projections in Quarterly Report

Committee Action: None; informational report only.

6. Discussion of Proposed Amendments to Regulation 3: Fees - Staff presentation by Director of Engineering Brian Bateman:

Aggressive Budgetary Actions (three-year outlook):

- No increase in discretionary expense
- No increase in capital
- No increase in FTE
- Retain vacancies

Optimistic Budgetary Assumptions (three-year outlook):

- Property Tax: -10%
- CalPERS: +12%
- Salary & Benefits: +11%
- Other takeaways (Subvention)

Increased Fees do not equal Increased Cost Recovery:

- COLA fee increase does not increase cost recovery
- Fee increases above COLA only yield ½ equivalent improvement in cost recovery
- If cost recovery drops, fee increases yield less improvement
- 3% cost increase - 10% increase in fees increases cost recovery from 50% to 53%
- 0% cost increase - 10% increase in fees increases cost recovery from 50% to 55%

Background Information:

- The District has the legal authority to assess fees to fully recover the direct and indirect costs associated with implementing and enforcing its regulatory programs;
- Cost Recovery analyses indicate that fee revenue falls well short of program costs
 - In recent years, fee revenue has covered 50% to 60% of program costs
- Cost recovery gap is filled by property tax revenue
- Under State law, permit fee increases are limited to 15 percent in any calendar year

Additional Information:

- Permit fees and property tax represent largest percentage of revenue sources
- In FYE 2012, there will be an imbalance/shortfall of 13% if fees are not increased
- Staff Recommended fee increase will balance revenues and expenses in FYE 2012

Details of Proposed Fee Amendments:

- Amendment will increase overall fee revenue by 9% from revenue projected for the current fiscal year
 - Increase in CPI for Bay Area was 3.3%
 - Additional \$2.5 million in revenue
- Last year's fee amendments increased revenue by \$3 million
 - Included adoption of new GHG Fee Schedule which brought in over \$1 million
- Fee Schedules with the most significant cost recovery gaps will incur the largest fee increases and range from 3%-15%
- FYE 2010 budget will include cost containment measures
- Fees will not be effective until ISR Rule adoption.

Miscellaneous fee schedules:

- Hearing Board Court reporter fees
- Registration fees
- Indirect Source Review Fee, to be considered as part of the Bay Area Clean Air Community Initiative
 - Application filing fee
 - Project Plan Review Fee
 - Mitigation Fee

Examples of Permit Renewal Fee Increases Presented:

- Auto body shops
- Dry cleaners
- Diesel backup generators
- Retail gasoline dispensing facilities
- Refinery fees

Rule Development Schedule:

- Draft Fee regulation amendments issued – January 29, 2009
- Public Workshop – February 23, 2009; written comments requested by March 6, 2009
- Budget and Finance Committee briefing – February 25, 2009
- Public Hearings and Board of Directors' consideration for adoption – April 15 and May 20, 2009 (amendments effective July 1, 2009)

Summary of Fee Workshop held February 23, 2009:

- 9 attendees (WESPA, CCEEB, PG&E, Vallejo School District (2), Town of Corte Madera, Valero gas station owner (2), Chevron gas station owner.
- Workshop Comments:
 - Gas stations have been hit by costs of State EVR requirements, prior fee increases and economic downturn – Should use reserves to balance budget instead of fee increases
 - Both small and larger companies are feeling economic downturn
 - Fee increases do not seem to be doing much to reduce cost recovery gap and emphasized that the District needs to keep costs in line.

Committee Discussion:

Daly: Clarified start of cost recovery occurred approximately 4 years ago.

Ross: Suggested increase to refineries which would assist with economic impacts to smaller businesses; discussed emissions based fee schedule and clarified with staff that small businesses require significant staff time.

Wagenknecht: Effects of ARB Rule and small service station operators.

Groom: Potential closure of auto body shops-inspection fees raised have been raised by cities and counties.

Shimansky: Suggested postponing one year.

Daly: Supported fee increases; District may need to take additional budgetary measures without cost recovery, and cited reduced air quality and staff resources.

Hosterman: Perception issue--suggested option for permittees to pay now or defer payment to next year.

Uilkema: Suggested reduced fee increases or an across-the-board increase of 2%-3%.

Torliatt: Supported fee increases; confirmed cost recovery for 2008 was 54%.

Committee Direction:

The Committee will hear an update on the Fee Schedule following the written comment period. Review and consideration by the Board of Directors regarding Regulation 3: Fees scheduled for April 15 and May 20, 2009.

Committee Action: None; informational report only.

Closed Session: Committee adjourned to Closed Session at 2:51 p.m.

7. **Closed Session: Potential Litigation (Government Code Sections 54956.9(B) and 54956.9(C)):** *Pursuant to Government Code Sections 54956.9(b) and 54956.9(c), a need exists to meet in closed session to discuss potential litigation regarding one matter.*

Open Session: Committee reconvened regular meeting at 3:01 p.m.; no reportable action taken.

8. Committee Member Comments/Other Business

Shimansky: Recommended scheduling morning meetings of the Committee.

Daly: Requested staff poll Committee members as their availability.

9. **Time and Place of Next Meeting:** 1:30 p.m., Wednesday, March 25, 2009 – 939 Ellis Street, San Francisco, CA 94109.

10. **Adjournment:** The meeting adjourned at 3:03 p.m.

Lisa Harper
Clerk of the Boards

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Daly and Members
of the Budget and Finance Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: March 23, 2009

Re: Update on Proposed Amendments to Regulation 3: Fees

RECOMMENDED ACTION:

None. This item is for information only.

UPDATE ON PROPOSED FEE AMENDMENTS FOR FYE 2010:

The Budget and Finance Committee was provided with a detailed description of staff's proposed amendments to the Air District's fee regulation for the upcoming fiscal year at the committee's meeting on February 25, 2009. A summary of the public workshop held on the proposed amendments was also provided. Staff requested that written comments on the proposal be submitted by March 6, 2009. At the committee's meeting on March 30, 2009, staff will provide a summary of the written public comments received.

Staff has also modified the initial proposal to amend Air District Regulation 3: Fees, to include a 50 percent increase for Fee Schedule G-5: Miscellaneous Sources. Schedule G-5 covers refinery flares that are subject to Air District Rule 12-11: Flare Monitoring at Petroleum Refineries, and Rule 12-12: Flares at Petroleum Refineries.

Air District staff resources associated with refinery flares have increased sharply in recent years due to the adoption of Rules 12-11 and 12-12. Staff began specifically tracking activity data for Schedule G-5 on July 1, 2007, after that schedule was adopted. For the annual period July 1, 2007 to June 30, 2008, the Air District's direct costs associated with refinery flares were \$867,500. It is expected that these costs will decrease by about 30 percent over the next several years as the FMP update process matures.

Permit fee revenue collected under Schedule G-5 for the last fiscal year was \$305,000. Increasing the fees for refinery flares by 50 percent would increase permit fee revenue for these sources to about \$442,000. This would more fully recover the District's ongoing costs associated with implementation and enforcement of Rules 12-11 and 12-12. The annual permit renewal fee for each flare would be \$18,635.

With the proposed change to Schedule G-5, and the other proposed fee amendments, it is estimated that the annual permit renewal fees for the five Bay Area refineries would increase by 9.4 percent from the current fiscal year, with the largest increase for an individual facility being 11 percent.

Staff will also present the committee with an option that would minimize fee increases for small sources, to address concerns related to the economy.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Brian Bateman
Reviewed by: Jeffrey Mckay

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Daly and Members
of the Budget and Finance Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: March 17, 2009

Re: Discussion of Proposed Budget for Fiscal Year 2009/2010

RECOMMENDED ACTION:

The Executive Officer/APCO requests that the Budget and Finance Committee review the Budget for FY 2009/2010 and make any recommendations for further discussions to be held during the April 29, 2009 Budget and Finance Committee meeting. This will allow staff the necessary time to make the changes for the second review by the Committee and the first public hearing date set for May 20, 2009.

BACKGROUND:

At the March 18, 2009 regular Board of Directors' meeting, the Fiscal Year 2009/2010 Proposed Budget document was formally referred to the Budget and Finance Committee for review at the Committee's March 30, 2009 meeting. Additional copies will be available at the Committee meeting.

DISCUSSION:

Staff will present the proposed budget for Fiscal Year 2009/2010. The proposed budget is balanced. General Fund Revenues, Transfers-In from Designated Reserves for PERS Funding, along with TFCA Indirect Cost Recovery and TFCA Revenues and Mobile Source Incentive Indirect Cost Recovery and Revenues are \$75.5 million. Proposed consolidated expenditures are \$75.5 million. Proposed capital requests are \$2.4 million. The proposed budget does not include an FTE increase.

Staff will publish, prior to April 20, 2009, a notice to the general public that the first of two public hearings on the budget will be conducted on May 20, 2009 and that the second hearing will be conducted on June 3, 2009. Staff requests that the Budget and Finance Committee complete its review and take action on the proposed budget at the April 29, 2009 Budget and Finance Committee meeting. This will allow staff the necessary time required to amend, if necessary, the budget for the first public hearing to be held on May 20, 2009.

BUDGET CONSIDERATION/FINANCIAL IMPACT:

The proposed consolidated budget for FY 2007/2008 is \$75,485,012 and is a balanced budget without drawing from undesignated reserves.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Jeff McKay

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Daly and Members
of the Budget and Finance Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: March 23, 2009

Re: Consider Recommending that the Board of Directors Amend FY 2008/2009
Operating Budget to Recognize Increased Revenue under an Environmental
Protection Agency Grant and Authorize the Executive Officer to Issue a
Purchase Order for Instrumentation Required by the Grant

RECOMMENDED ACTION:

Recommend that the Board of Directors amend the FY 2008/2009 Budget by increasing the Section 103 Environmental Protection Agency (EPA) Grant Revenue by \$113,908, correspondingly increase the capital equipment budget for the Laboratory (Program 803), and authorize the Executive Officer to issue a purchase order for the instrumentation required by the grant.

SUMMARY:

In accordance with the Air District's Administrative Code, Division II, Fiscal Policies and Procedures, Section 4.3, staff requests that the Committee recommend that the Board amend the FY 2008/2009 budget by increasing the Laboratory Section's budget by a total of \$113,908. The funding source is an increase in the EPA Section 103 Grant. Staff also requests that the Committee recommend that the Board authorize the Executive Officer to issue a purchase order for the instrumentation required by the grant.

DISCUSSION:

The EPA funds the National Air Toxics Trend Site (NATTS) monitoring at the San Jose Jackson Street air monitoring station through a Section 103 grant that requires the Air District laboratory to analyze ambient air samples for specific toxic air contaminants (TAC). The award was increased this federal fiscal year to purchase a Gas Chromatograph/ Mass Spectrometer (GC/MS) to improve laboratory analytical capabilities to detect TAC at lower levels in ambient air.

The new equipment will also improve laboratory analytical capabilities for the entire toxics monitoring network, currently consisting of nineteen sites.

In addition, by purchasing the instrument from Agilent Technologies, the lab will incorporate a sulfur detection system into the GC/MS and eliminate the need of purchasing a second gas chromatograph, resulting in a savings of \$40,000. Agilent is the only manufacturer capable of offering this technology.

BUDGET CONSIDERATION/FINANCIAL IMPACT:

This Budget Amendment is funded by an increase in the EPA Section 103 Grant. The purchase of the laboratory instrumentation will have no financial impact on the Air District's general revenue resources.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Jim Hesson

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Daly and Members
of the Budget and Finance Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: March 23, 2009

Re: Response to Recommendations from Air District Annual Audit: Schedule for
Adoption of Administrative Policies

RECOMMENDED ACTION:

Informational report. Receive and file.

DISCUSSION

At the February 25, 2009 meeting, the Budget and Finance Committee requested a timeline for forthcoming Air District policies addressed in the FY 2007-2008 Financial Audit by Maze and Associates. Below is a list of the relevant policies under development and the dates these policies are expected to be presented for Board of Directors consideration.

POLICY	EXPECTED DATE FOR BOARD CONSIDERATION
Investment Policy	May 2009
Capital Assets and Depreciation Policy	July 2009
Records Retention Policy	September 2009
Travel Policy (for possible modification to Administrative Code)	October 2009
Fraud Policy	December 2009

In general, policies which may affect employee working conditions are subject to discussion with the Employees Association. Discussion with the Employees Association may modify the proposed timeline of these policies.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Ana Sandoval
Reviewed by: Jeffrey M. McKay