



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

BOARD OF DIRECTORS
BUDGET AND FINANCE COMMITTEE MEETING

COMMITTEE MEMBERS

CHRIS DALY – CHAIRPERSON
CAROLE GROOM
ERIC MAR
MICHAEL SHIMANSKY

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

MONDAY
JUNE 1, 2009
9:30 A.M.

7TH FLOOR BOARD ROOM
939 ELLIS STREET
SAN FRANCISCO, CA 94109

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 MAY 6, 2009**
4. **THIRD QUARTER FINANCIAL REPORT**

J. McKay/4629
jmckay@baaqmd.gov

The Committee will receive the financial report for the third quarter for fiscal year 2008/2009.

5. **CONSIDERATION OF SAN MATEO COUNTY'S POOLED FUND INVESTMENT POLICY**

J. McKay/4629
jmckay@baaqmd.gov

The Committee will consider recommending Board of Directors' adoption of San Mateo County's Pooled Fund Investment Policy.

6. **CONSIDERATION OF RECOMMENDATION TO TRANSMIT FUNDS TO CALPERS FOR OTHER-THAN-PENSION-POST EMPLOYMENT BENEFITS (OPEB)**

J. McKay/4629
jbroadbent@baaqmd.gov

The Committee will consider recommending Board of Directors' approval upon adoption of the FYE 2010 budget, transmittal of budgeted OPEB funding to PERS.

7. **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).

8. **TIME AND PLACE OF NEXT MEETING – AT THE CALL OF THE CHAIR**

9. **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

MAY 2009

| <u>TYPE OF MEETING</u> | <u>DAY</u> | <u>DATE</u> | <u>TIME</u> | <u>ROOM</u> |
|--|------------|-------------|--|----------------------------------|
| Board of Directors Mobile Source Committee – (Meets 4 th Thursday of each Month) | Thursday | 28 | 9:30 a.m. | 4 th Floor Conf. Room |
| Board of Directors Climate Protection Committee (Meets 2 nd Thursday each Month) | Thursday | 28 | Immediately Following Mobile Source Cme. Meeting | 4 th Floor Conf. Room |

JUNE 2009

| <u>TYPE OF MEETING</u> | <u>DAY</u> | <u>DATE</u> | <u>TIME</u> | <u>ROOM</u> |
|--|------------|-------------|--|----------------------------------|
| Board of Directors Budget & Finance Committee (At the Call of the Chair) | Monday | 1 | 9:30 a.m. | Board Room |
| Board of Directors Regular Meeting (Meets 1 st & 3 rd Wednesday of each Month) | Wednesday | 3 | 9:45 a.m. | Board Room |
| Board of Directors Public Outreach Committee (Meets 1 st Thursday every other Month) - CANCELLED | Thursday | 4 | 9:30 a.m. | 4 th Floor Conf. Room |
| Board of Directors Legislative Committee (Meets 2 nd Thursday of each Month) | Thursday | 11 | 9:30 a.m. | 4 th Floor Conf. Room |
| Board of Directors Climate Protection Committee (Meets 2 nd Thursday each Month) | Thursday | 11 | Immediately Following Legislative Cme. Meeting | 4 th Floor Conf. Room |
| Board of Directors Regular Meeting (Meets 1 st & 3 rd Wednesday of each Month) | Wednesday | 17 | 9:45 a.m. | Board Room |
| Board of Directors Mobile Source Committee – (Meets 4 th Thursday of each Month) | Thursday | 25 | 9:30 a.m. | 4 th Floor Conf. Room |

JULY 2009

| <u>TYPE OF MEETING</u> | <u>DAY</u> | <u>DATE</u> | <u>TIME</u> | <u>ROOM</u> |
|---|------------|-------------|-------------|-------------|
| Board of Directors Regular Meeting (Meets 1 st & 3 rd Wednesday of each Month) | Wednesday | 1 | 9:45 a.m. | Board Room |
| Advisory Council Regular Meeting | Wednesday | 8 | 9:00 a.m. | Board Room |

| <u>TYPE OF MEETING</u> | <u>DAY</u> | <u>DATE</u> | <u>TIME</u> | <u>ROOM</u> |
|---|-------------------|--------------------|------------------------------------|---|
| 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 Mont</i> | Thursday | 9 | Following Legislative Cme. Mtg. | 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 |
| Joint Policy Committee | Friday | 17 | 10:00 a.m. | MTC Auditorium 101 8 th Street Oakland, CA 94607 |
| 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 |
| HL – 5/27/09 (10:05 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: May 19, 2009

Re: Budget and Finance Committee Draft Meeting Minutes

RECOMMENDED ACTION:

Approve attached draft minutes of the Budget and Finance Committee meeting of May 6, 2009.

DISCUSSION

Attached for your review and approval are the draft minutes of the May 6, 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
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.

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.

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: May 22, 2009

Re: Third Quarter Financial Report – Fiscal Year 2008-09

RECOMMENDED ACTION:

Informational report. Receive and file.

DISCUSSION

GENERAL FUND BUDGET: STATEMENT OF REVENUE

Comparison of Budget to Actual Revenue

- County receipts totaled \$11,976,378 (58%) of budgeted revenue.
- Permit Fee receipts were \$18,609,582 (82%) of budgeted revenue.
- Title V Permit Fees were \$2,279,701 (90%) of budgeted revenue.
- Asbestos Fees were \$1,245,810 (65%) of budgeted revenue.
- Toxic Inventory Fees were \$505,187 (92%) of budgeted revenue.
- Penalties and Settlements were \$1,476,257 (59%) of budgeted revenue.
- Miscellaneous Revenue receipts were \$37,288 (9%) of budgeted revenue.
- Interest Revenue was (\$1,190,479) which totaled (-83%) of budgeted revenue.

GENERAL FUND BUDGET: STATEMENT OF EXPENDITURES

Comparison of Budget to Actual Expenditures

- Salaries and Benefits were \$30,113,770 (69%) of budgeted expenditures.
- Operational Services and Supplies were \$4,871,241 (30%) of budgeted expenditures.
- Capital Outlay was \$799,849 (16%) of budgeted expenditures.

INVESTMENT BALANCES

Cash and Investments in County Treasury:

| | |
|--------------|----------------------|
| General Fund | \$ 26,466,989 |
| TFCA | \$ 56,379,242 |
| MSIF | \$ 30,318,357 |
| Carl Moyer | \$ 13,053,183 |
| | <u>\$126,217,771</u> |

Investments Held as:

| | |
|--------------------------|------------------------------|
| Fixed Income Investments | 35% of total investment pool |
| Short Term Investments | 65% of total investment pool |

FUND BALANCES

| | 6/30/2007 <u>Audited</u> | 6/30/2008 <u>Audited</u> | 6/30/2009 <u>Projected</u> |
|-----------------------------------|-----------------------------|-----------------------------|-------------------------------|
| Imprest Cash | \$ 500 | \$ 500 | \$ 500 |
| Building and Facilities | 1,731,690 | 1,731,690 | 1,510,315 |
| PERS Funding | 3,100,000 | 2,700,000 | 2,300,000 |
| Radio Replacement | 75,000 | 75,000 | 75,000 |
| Climate Protection | 3,000,000 | | |
| Production System | 1,250,000 | 2,800,000 | |
| Capital Equipment | 130,425 | 130,425 | 130,425 |
| Contingencies | 400,000 | 400,000 | 400,000 |
| Worker's Compensation | 1,000,000 | 1,000,000 | 1,000,000 |
| Economic Uncertainties | 7,709,028 | 8,755,437 | 9,000,000 |
| TOTAL SPECIAL RESERVES | <u>\$ 18,396,643</u> | <u>\$ 17,593,052</u> | <u>\$14,416,240</u> |
| Appropriation - Production System | \$ 152,141 | | |
| UNDESIGNATED | <u>13,996,404</u> | <u>6,358,308</u> | <u>6,358,306</u> |
| TOTAL FUND BALANCES | <u>\$ 32,545,188</u> | <u>\$ 23,951,360</u> | <u>\$20,774,546</u> |

BUDGET CONSIDERATION/FINANCIAL IMPACT:

No impact on Fiscal Year 2008/2009 budget.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Linda J. Serdahl, CPA, CFE
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: May 22, 2009

Re: Consideration of San Mateo County's Pooled Fund Investment Policy Adoption

RECOMMENDED ACTION:

Consider recommending that the Board of Directors, by Board resolution, adopt the County of San Mateo's Pooled Fund Investment Policy (Investment Policy), including all subsequent policy revisions.

DISCUSSION:

The Bay Area Air District is required by the Health and Safety Code, Section 40275, to maintain its treasury in the custody of the county treasurer of a county within the Air District. The county may be selected by the Air District board. The Air District is subject to the respective county's investment policy. The County of San Mateo was selected by the Air District's Board of Directors to fulfill the Treasury role. As substantially all of the Air District's cash is invested by the San Mateo County Treasury, staff reviewed the Investment Policy, and determined that the Air District's conservative investment goals are met by the Investment Policy

In addition to this investment policy review, and in order to maintain investment diligence, the Air District is currently exploring the potential benefit of moving its treasury to the custody of an alternate county within the Air District's jurisdiction.

BUDGET CONSIDERATION/FINANCIAL IMPACT:

No impact on Fiscal Year 2008/2009 budget.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Linda J. Serdahl, CPA, CFE
Reviewed by Jeffrey M. McKay, DAPCO

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: May 21, 2009

Re: Consideration of Recommendation to Transmit Funds to CalPers for
Other-Than-Pension-Post Employment Benefits (OPEB)

RECOMMENDED ACTION:

Upon Board of Directors' approval of the FYE 2010 budget, transmittal of the budgeted \$2,000,000 in OPEB funds to CalPERS.

DISCUSSION

Following guidance from the Budget and Finance Committee, staff recommends that the OPEB funds be transmitted before the close of the current fiscal year.

BUDGET CONSIDERATION/FINANCIAL IMPACT:

No impact on Fiscal Year 2008/2009 budget.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Jeffrey McKay