

Bay Area Air Quality Management District
939 Ellis Street
San Francisco, California 94109

APPROVED MINUTES

Summary of Board of Directors
Budget and Finance Committee Meeting
Wednesday October 19, 2011

1) Call to Order/Roll call: Chairperson Carol Groom called the meeting to order at 12:15 p.m.

Present: Chairperson Carol Groom, Vice Chairperson Ash Kalra, Directors Eric Mar, Mark Ross, and Brad Wagenknecht.

Absent: Directors Shirlee Zane, Gayle Uilkema, and Scott Haggerty

2) Public Comment Period: There were no public comments.

3) Approval of Minutes of May 25, 2011: Director Ross moved to approve the minutes of May 25, 2011. The motion was seconded by Director Wagenknecht and carried unanimously without objection.

4) Air District Security Contracts

Jack Colbourn, Director of Administrative Services Division, introduced Mary Ann Okpalaugo, Strategic Facilities Planning Manager, who provided a presentation to the Committee detailing the Request for Proposal (RFP) process for Air District Security contracts and identified the contractors selected to provide these services.

Public Comments: None

Committee Member Comments: Director Wagenknecht asked what amount is currently being spent on security.

Ms. Okpalaugo responded that this fee is currently 5% less than what the Air District will be paying.

Director Mar asked which union group represents the security personnel.

Ms. Okpalaugo stated that no union contractors submitted proposals.

Committee Action: Director Kalra made a motion to recommend Board of Directors' approval of contracts to Security Management Group International (SMGI) for front lobby building security and Admiral Security for armed security services in the back of the building on Willow Street. The combined contract amount is not to exceed \$457,000. Director Ross seconded the motion, carried unanimously without objection.

Director Ross exited the meeting at 12:20 pm. No quorum as of this time.

5) District Financial Overview

Jeff McKay, Deputy Air Pollution Control Officer, provided the Committee with a review of the Air District's response to fiscal challenges, strategies employed during the Fiscal Year End (FYE) 2012 budget cycle, and implications of the FYE 2013 budget process.

Discussion focused on reserve funds and unaudited results. In the FYE 2011 budget, the Air District expected to use \$2 million in reserve funds, in the FYE 2012 budget the Air District budgeted to use \$1 million in reserve funds, and in the FYE 2013 budget the goal is to not use reserve funds. In 2011, permit revenues are \$1 million short. The Air District has addressed this by using some cost cutting measures such as reducing services and supplies. The Air District has cut \$200,000 from planning and outreach, \$450,000 from infrastructure, and \$200,000 in software systems.

In regards to the Production System completion, the Air District has funds budgeted in the current year for IRIS and Databank replacement. The Air District will continue to use Trinity Technology Group and Vertigo Software for the completion of this project. The contract amount is for approximately \$375,000 and \$350,000, respectively. These already budgeted contracts will be brought forward to the Board of Directors as a consent calendar item.

The Air District is currently at 12% vacancy positions up from the previously presented 10% vacancy positions. Lastly, reserve draw downs are near target at \$2.3 million versus the \$2 million budgeted.

Public Comments: None

Committee Member Comments: Director Karla commended the Air District for conducting some nimble moves. Director Kalra expressed that 15% reserves is very healthy during these difficult economic times. He also cautioned in cutting back too much of the software and outreach budgets. Director Groom asked if it was still okay to continue having a scaled back enforcement division and what could be expected for next year?

Mr. McKay stated that the Air District is feeling some of the effects of having less enforcement officers. The Air District may see some financial effects.

Committee Action: None

At the request of Chairperson Groom, Agenda item #6 and #7 are deferred to the next Budget and Finance Committee meeting.

8) Committee Member Comments/Other Business: None

9) Time and Place of Next Meeting: At the call of the Chair.

10) Adjournment: The meeting was adjourned at 12:30 p.m.

MS/ Maricela Martinez

Maricela Martinez
Executive Secretary