

Bay Area Air Quality Management District
939 Ellis Street
San Francisco, California 94109
(415) 771-4963

APPROVED MINUTES

Summary of Board of Directors
Budget and Finance Committee Meeting
Wednesday, October 24, 2012

1. Call to Order – Roll Call

Chairperson Carole Groom called the meeting to order at 9:30 a.m.

Present: Chairperson Carole Groom; Vice Chairperson Ash Kalra; and Directors David Hudson, Katie Rice, Mark Ross and Brad Wagenknecht.

Absent: Directors Scott Haggerty, Eric Mar and Shirlee Zane.

Also Present: None.

2. Public Comment Period: None.

3. Approval of Minutes of April 25, 2012

Committee Comments: None.

Public Comments: None.

Committee Action: Director Hudson made a motion to approve the Minutes of April 25, 2012; Director Wagenknecht seconded; and the motion was carried unanimously without objection.

4. First Quarter Financial Report – Fiscal Year (FY) 2012-13

Jeff McKay, Deputy Air Pollution Control Officer, introduced David Glasser, Finance Manager of Administrative Services, who gave the staff presentation regarding the First Quarter Financial Report – FY 2012-13. Mr. Glasser reviewed the General Fund revenues and expenses, Air District investments, fund balances and vendor payments in excess of \$70,000 without Board of Directors review for the first quarter of FY 2012-13.

Mr. Glasser added, regarding slide 2, 1st Quarter Results Fiscal Year End (FYE) 2013 General Fund Revenues, that no allocations have been received from San Mateo County as of September 30, 2012, but this is not cause for concern.

Committee Comments:

Director Hudson asked, regarding slide 3, 1st Quarter Results FYE 2013 General Fund Expenses, how Personnel – Fringe Benefits compares to the market average, which questions were answered by Mr. McKay.

Director Ross asked about the status of the Lehman Brothers issue, which question was answered by Messrs. Glasser and McKay

Director Kalra asked about the impact of the London Interbank Offered Rate scandal mentioned in the news, which question was answered by Mr. Glasser.

Chairperson Groom asked about the status of supplies cost reductions, which question was answered by Mr. McKay.

Public Comments: None.

Committee Action: None; informational only.

5. Air District Financial Overview

Mr. McKay gave the staff presentation Air District Financial Status, including a review of the ongoing challenge in financial trends, the calibrated response by the Air District, miscellaneous events in FYE 2012, and staff recommendations.

Mr. McKay noted, regarding slide 10, Trends in Cost Cutting, that the downward trend is greater than it appears in the slide.

Committee Comments:

Directors Hudson and Kalra discussed Air District payments against the unfunded liability related to Other Post-Employment Benefits (OPEB).

Director Wagenknecht asked about the OPEB unfunded liability payment plan, which questions were answered by Mr. McKay.

Director Rice suggested the filling of staff vacancies be prioritized, particularly in those areas that will see increased work volume as the economy improves, and asked staff to consider how increased payments to OPEB would look over time.

NOTED PRESENT: Director Mar was noted present at 10:03 a.m.

Public Comments: None.

Committee Action:

Director Hudson made a motion to recommend that the Board of Directors increase the FYE 2013 contribution to OPEB from \$1,000,000 to \$2,000,000; Director Kalra seconded; and the motion was carried unanimously without objection.

6. California Air Monitoring Network Assessment: Consider Acceptance of U.S. Environmental Protection Agency (EPA) Grant Money and Award of Contract

Eric Stevenson, Director of Technical Services, delivered the staff report California Air Monitoring Network Assessment: Consider Acceptance of EPA Grant Money and Award of Contract, including potential gaps and/or duplicative monitoring efforts under the Primary Quality Assurance Organizations approach, and staff recommendations.

Committee Comments: None.

Public Comments: None.

Committee Action:

Director Kalra made a motion to recommend that the Board of Directors amend the FYE 2013 budget to recognize a \$200,000 EPA Grant and award a \$200,000 contract to Providence Engineering and Environmental Group to perform an assessment of the air monitoring network throughout California; Director Wagenknecht seconded; and the motion was carried unanimously without objection.

7. Amend Air Monitoring Section's Budget to Allow for Development of Two New Air Monitoring Stations Near Bay Area Roadways

Mr. Stevenson delivered the staff report Amend Air Monitoring Section's Budget to Allow for Development of Two New Air Monitoring Stations Near Bay Area Roadways, including a review of recently revised EPA regulations and the number and location of air monitoring sites required, and staff recommendations.

Committee Comments:

Director Hudson asked about the siting of the monitoring stations, which questions were answered by Mr. Stevenson.

Directors Wagenknecht and Rice asked about the qualification of additional sites for further EPA funding, which questions were answered by Mr. Stevenson.

Chairperson Groom, Directors Wagenknecht and Hudson, and Mr. Stevenson discussed the long-term siting plan for air monitoring stations.

Public Comments: None.

Committee Action:

Director Wagenknecht made a motion to recommend that the Board of Directors amend the FYE 2013 budget to increase the Air Monitoring budget, under Program 802, by a total of \$367,744 in response to an EPA grant of \$400,000 to develop air monitoring sites near Bay Area freeways; Director Hudson seconded; and the motion was carried unanimously without objection.

8. **Committee Member Comments/Other Business:** None.
9. **Time and Place of Next Meeting:** Chairperson Groom canceled the Committee meeting on November 28, 2012. The next meeting is at the call of the Chair.
10. **Adjournment:** The meeting adjourned at 10:21 a.m.

151 Sean Gallagher

Sean Gallagher
Clerk of the Boards