

Bay Area Air Quality Management District
939 Ellis Street
San Francisco, California 94109
(415) 749-5073

Videoconference Location:
Santa Rosa Junior College
Doyle Library Room 4243
1501 Mendocino Avenue
Santa Rosa, CA 95401

APPROVED MINUTES

Summary of Board of Directors
Budget and Finance Committee Meeting
Wednesday, August 5, 2013

1. Call to Order – Roll Call

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

Present: Committee Chairperson Carole Groom; Vice-Chairperson Eric Mar; and Directors Mark Ross, Brad Wagenknecht and Shirlee Zane (from videoconference location).

Absent: Directors John Gioia, David Hudson, Liz Kniss and Nate Miley.

Also Present: Board of Directors Chairperson Ash Kalra.

2. Public Comment Period: None.

3. Approval of Minutes of April 24, 2013

Committee Comments: None.

Public Comments: None.

Committee Action:

Director Wagenknecht made a motion to approve the Minutes of April 24, 2013; Director Ross seconded; and the motion carried unanimously.

4. Fourth Quarter Financial Report – Fiscal Year Ending (FYE) 2013

Jack Colbourn, Director of Administrative Services, delivered the staff report Fourth Quarter Financial Report – Fiscal Year Ending 2013, including unaudited overviews of general fund revenues and expenses, fund balances and to report there were no vendor payments in excess of \$70,000 without Board of Directors review.

Committee Comments:

The Budget and Finance Committee (Committee) and staff discussed permit revenue levels, the effect of the economic downturn and the accuracy of projections given that they were made more than a year ago.

Public Comments: None.

Committee Action: None; informational only.

5. Approval of Financing for Joint Regional Agency Co-Location at 375 Beale Street

Mr. McKay gave the staff presentation 375 Beale Street Acquisition Status and Financing, including overviews of the site location, floor plans and shared space, components for disposition of 939 Ellis, comparisons of the annual costs for each building, a detailed review of the financing team, principles and documents, and finally the next steps.

Committee Comments:

The Committee, staff and Brian Mayhew, Chief Financial Officer, Metropolitan Transportation Commission (MTC), discussed how the material from today's meeting varies from that provided in the past and whether the field of possible interest rates has narrowed, that the MTC is clearly set up to shoulder the risk of interest rates in this transaction and asked what is the risk to taxpayers at large, and the maximum interest rate caps and whether the loan may be prepaid without penalty.

NOTED PRESENT: Director Mar was noted present at 9:50 a.m.

The Committee and staff discussed whether leased space for tenants is still part of the building plan, whether the Air District will enjoy an income from that source which could then be applied against the loan balance, that this represents what seems to be a safe and fair deal for all parties, and whether the issue of common area maintenance charges have been worked out.

Mr. McKay invited David Brodsky, Managing Director, KNN Public Finance, to speak in greater detail about the fairness of the deal for taxpayers at large.

Board Chairperson Kalra thanked staff and the financing team for their work and commended the financing arrangement.

Director Zane commended staff and the financing arrangement.

Public Comments: None.

Committee Action:

Director Wagenknecht made a motion, seconded by Director Ross, to recommend the Board of Directors authorize the Executive Officer/APCO to sign necessary documents to finance the

purchase of the Bay Area Air Quality Management District portion of 375 Beale Street, San Francisco; and the motion carried unanimously.

6. Committee Member Comments/Other Business:

Director Ross suggested a policy or practice be established whereby positive revenues that are gained unexpectedly as the economy improves be applied to long-term goals or projects, such as the funding of Other Post-Employment Benefits.

Committee Chairperson Groom said the Committee should consider Director Ross' proposal and asked staff to bring forward suggestions at its next meeting.

7. Time and Place of Next Meeting:

Monday, September 9, 2013, at Bay Area Air Quality Management District Headquarters, 939 Ellis Street, San Francisco, CA 94109 at 11:00 a.m.

8. Adjournment: The meeting adjourned at 10:00 a.m.

151 Sean Gallagher

Sean Gallagher
Clerk of the Boards