



BOARD OF DIRECTORS
BUDGET AND FINANCE COMMITTEE MEETING

COMMITTEE MEMBERS

BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

CAROLE GROOM – CHAIRPERSON
JOHN GIOIA
LIZ KNISS
MARK ROSS
SHIRLEE ZANE

ERIC MAR – VICE CHAIRPERSON
DAVE HUDSON
NATE MILEY
BRAD WAGENKNECHT

WEDNESDAY
NOVEMBER 26, 2014
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 Air District headquarters, 939 Ellis Street, San Francisco, CA, and on the Air District's website www.baaqmd.gov 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 THE MINUTES OF APRIL 23, 2014**

Staff/Phone (415) 749-

Clerk of the Boards/5073

The Committee will consider approving the draft minutes of the Board of Directors Budget and Finance Committee Meeting of April 23, 2014.

4. **FOURTH QUARTER FINANCIAL REPORT – FISCAL YEAR ENDING (FYE) 2014**

J. McKay/4629

jmckay@baaqmd.gov

The Committee will receive an update on the Air District's financial results for the fourth quarter of FYE 2014.

5. **FIRST QUARTER FINANCIAL REPORT – FISCAL YEAR ENDING (FYE) 2015**

J. McKay/4629

jmckay@baaqmd.gov

The Committee will receive an update on the Air District's financial results for the first quarter of FYE 2015.

6. **939 ELLIS STREET SALE PROCEEDS**

J. McKay/4629
jmckay@baaqmd.gov

The Committee will consider recommending the Board of Directors reserve proceeds from the sale of 939 Ellis Street Headquarters in the General Fund Building Reserves; and transfer and appropriate an amount not-to-exceed \$1,178,102 from the General Fund Building Reserves to Program 702 to cover the monthly lease payment at 939 Ellis for the 2014-15 fiscal year.

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**

Wednesday, January 28, 2015, Bay Area Air Quality Management District Office, 939 Ellis Street, San Francisco, California 94109 at 9:30 a.m.

9. **ADJOURNMENT**

CONTACT THE CLERK OF THE BOARDS
939 ELLIS STREET SF, CA 94109
SGALLAGHER@BAAQMD.GOV

(415) 749-5073
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.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
939 ELLIS STREET, SAN FRANCISCO, CALIFORNIA 94109
FOR QUESTIONS PLEASE CALL (415) 749-5016 or (415) 749-4941

EXECUTIVE OFFICE:
MONTHLY CALENDAR OF AIR DISTRICT MEETINGS

NOVEMBER 2014

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Mobile Source Committee <i>(Meets on the 4th Thursday of each Month)</i> - CANCELLED	Monday	24	9:30 a.m.	Board Room
Board of Directors Stationary Source Committee <i>(Meets Quarterly at the call of the Chair)</i>	Monday	24	9:30 a.m.	Board Room
Board of Directors Budget & Finance Committee <i>(Meets on the 4th Wednesday of each Month)</i>	Wednesday	26	9:30 a.m.	Board Room

DECEMBER 2014

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Climate Protection Committee - <i>(Meets 3rd Thursday every other Month)</i>	Monday	1	9:30 a.m.	Board Room
Board of Directors Regular Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)</i>	Wednesday	3	9:45 a.m.	Board Room
Board of Directors Executive Committee <i>(Meets on the 3rd Monday of each Month)</i> - CANCELLED	Monday	15	9:30 a.m.	Board Room
Board of Directors Personnel Committee <i>(Meets At the Call of the Chair)</i>	Monday	15	9:30 a.m.	Board Room
Board of Directors Regular Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)</i>	Wednesday	17	9:45 a.m.	Board Room
Board of Directors Mobile Source Committee <i>(Meets on the 4th Thursday of each Month)</i>	Thursday	18	9:30 a.m.	Board Room
Board of Directors Budget & Finance Committee <i>(Meets on the 4th Wednesday of each Month)</i> - CANCELLED	Wednesday	24	9:30 a.m.	Board Room

JANUARY 2015

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Regular Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)</i>	Wednesday	7	9:45 a.m.	Board Room
Advisory Council Special Meeting/Retreat <i>(Meets on the 2nd Wednesday of each Month)</i>	Wednesday	14	9:00 a.m.	Board Room
Board of Directors Climate Protection Committee – <i>(Meets 3rd Thursday every other Month)</i>	Thursday	15	9:30 a.m.	Board Room
Board of Directors Executive Committee <i>(Meets on the 3rd Monday of each Month)</i>	Monday	19	9:30 a.m.	Board Room
Board of Directors Special Meeting/Retreat <i>(Meets on the 1st & 3rd Wednesday of each Month)</i>	Wednesday	21	9:45 a.m.	Board Room
Board of Directors Mobile Source Committee <i>(Meets on the 4th Thursday of each Month)</i>	Thursday	22	9:30 a.m.	Board Room
Board of Directors Budget & Finance Committee <i>(Meets on the 4th Wednesday of each Month)</i>	Wednesday	28	9:30 a.m.	Board Room

HL – 11/20/14 (3:10 p.m.)

P/Library/Forms/Calendar/Calendar/Moncal

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Carole Groom and Members
of the Budget and Finance Committee

From: Jack P. Broadbent
Executive Officer/Air Pollution Control Officer

Date: November 18, 2014

Re: Approval of the Minutes of April 23, 2014

RECOMMENDED ACTION

Approve the attached draft minutes of the Budget and Finance Committee meeting of April 23, 2014.

DISCUSSION

Attached for your review and approval are the draft minutes of the Budget and Finance Committee meeting of April 23, 2014.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Sean Gallagher
Reviewed by: Maricela Martinez

Attachment

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

DRAFT MINUTES

Summary of Board of Directors
Budget and Finance Committee Meeting
Wednesday, April 23, 2014

1. Call to Order – Roll Call

Budget and Finance Committee (Committee) Chairperson Carole Groom called the meeting to order at 9:32 a.m.

Present: Committee Chairperson Carole Groom; Committee Vice-Chairperson Eric Mar; Board of Directors (Board) Chairperson Nate Miley; and Directors David Hudson, Liz Kniss, Mark Ross, Brad Wagenknecht and Shirlee Zane (from videoconference location).

Absent: Director John Gioia.

Also Present: None.

2. Public Comment Period: No requests received.

3. Third Quarter Financial Report – Fiscal Year Ending (FYE) 2014 (Agenda Item #5 taken out of order)

Jeff McKay, Deputy Air Pollution Control Officer (DAPCO), introduced Stephanie Osaze, Finance Manager of Administrative Services, who gave the staff presentation *Third Quarter Financial Report – FYE 2014*, including an overview of general fund revenues and expenses, revenue and expense year-over-year comparisons, investments, fund balances, purchasing reporting requirements, and cumulative vendor payments in excess of \$70,000 without Board review.

NOTED PRESENT: Director Kniss was noted present at 9:35 a.m. and Director Mar was noted present at 9:36 a.m.

The Committee and staff discussed, at slide 2, *3rd Quarter Results FYE 2014, General Fund – Revenues*, the cause of the high percentages relative to both “Penalties and Settlements” and “Interest Revenue.”

NOTED PRESENT: Director Zane was noted present at the videoconference location at 9:38 a.m.

Ms. Osaze concluded the presentation.

Committee Comments:

The Committee and staff discussed the two separate life insurance policy payments listed on slide 9, *Contract Limitations*, at lines 6, CSAC Excess Insurance Authority, and 11, Hartford Life Ins. Co.; the nature and amount of the payment on slide 9, *Contract Limitations*, at line 15, Renne Sloan Holtzman & Sakai, for Human Resources Consulting Services; the total number and average individual cost of handling employee grievances; the nature of the expenses on slide 9, *Contract Limitations*, at line 7, Cubic Transportation Systems, for Clipper Transit Subsidy; how the Air District is doing financially in comparison to other air districts and agencies of a similar size; and the effect of early Other Post-Employment Benefits (OPEB) payments.

NOTED PRESENT: Board Chair Miley was noted present at 9:48 a.m.

Committee Chair Groom asked staff to provide a report on cumulative vendor payments in excess of \$70,000 without Board review to Renne Sloan Holtzman & Sakai, for Human Resources Consulting Services, at a future Committee meeting.

Public Comments: No requests received.

Committee Action: None; receive and file.

4. Approval of Minutes of March 26, 2014 (Agenda Item #3)

Committee Comments: None.

Public Comments: No requests received.

Committee Action:

Director Hudson made a motion to approve the Minutes of March 26, 2014; Director Wagenknecht seconded; and the motion carried by the following vote of the Committee:

- AYES: Groom, Hudson, Kniss, Mar, Miley, Ross, Wagenknecht and Zane.
- NOES: None.
- ABSTAIN: None.
- ABSENT: Gioia.

5. Continued Discussion of FYE 2015 Proposed Air District Budget and Consideration to Recommend Adoption (Agenda Item #4)

Mr. McKay gave the staff presentation *Proposed FYE 2015 Budget*, including proposed expenses and capital; Air District reserve funds and designations; current staffing levels and strategic staffing principles; vacancies for FYE 2014; climate program staffing; proposed staffing levels in FYE 2015; and a status report on fees and unfunded liabilities including pensions and OPEB.

The Committee and staff discussed, at slide 4, *Expense and Capital*, if and how “Service & Supply” breaks down relative to labor costs.

Mr. McKay continued the presentation.

The Committee and staff discussed, at slide 15, *Unfunded Liabilities Response*, the potential benefits for the Air District and California Public Employees’ Retirement System (CalPERS) of increased contributions; the impact of funding liabilities on an agency’s credit rating; the explanation for the potentially increased CalPERS contribution and whether increased employee contributions have affected CalPERS decision-making; the dollar amount equivalent of 20% of salary; the performance of CalPERS investments, the effect of inflation and the smoothing projection; questions of who dictates and is responsible for the investment strategy of CalPERS; the value of keeping the Board informed of CalPERS developments and the need to carefully consider how to address increases; the possible value of preempting a potential CalPERS increase through excess contributions that are pulled back if there is no increase; the need for a thoughtful discussion about how to proceed if and when the required CalPERS contribution is increased; the possible value of a reserve designation within the general fund in advance of a CalPERS increase; whether and in what form an assessment of CalPERS performance exists; and the composition of the CalPERS governing board and internal workings of the organization.

Committee Chairperson Groom directed staff to agendize a discussion of CalPERS for a future Committee meeting.

Mr. McKay concluded the presentation.

Committee Comments:

The Committee and staff discussed whether a CalPERS illustration would look similar to that prepared in regards to OPEB; whether the staffing level has been consistent over the years and projections for the future; whether positions that generate and increase revenue are being fully staffed; the value of the strategic staffing principles being applied; and the potential impact of increased staffing on the Air District’s OPEB and CalPERS contributions.

Public Comments: No requests received.

Committee Action:

Director Hudson made a motion, seconded by Director Ross, to recommend Board adoption of the FYE 2015 Proposed Budget; and the motion carried by the following vote of the Committee:

AYES: Groom, Hudson, Kniss, Miley, Ross, Wagenknecht and Zane.

NOES: None.

ABSTAIN: None.

ABSENT: Gioia and Mar.

6. Committee Member Comments/Other Business:

The Committee and staff discussed the possibility of and justification for increasing the cost recovery rate over time.

7. Time and Place of Next Meeting:

Wednesday, May 28, 2014, at Bay Area Air Quality Management District Headquarters, 939 Ellis Street, San Francisco, CA 94109 at 9:30 a.m.

8. Adjournment: The meeting adjourned at 10:39 a.m.

Sean Gallagher
Clerk of the Boards

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Carole Groom and Members
of the Budget and Finance Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: November 13, 2014

Re: Fourth Quarter Financial Report – Fiscal Year 2013-14

RECOMMENDED ACTION

None; receive and file.

DISCUSSION

Finance staff will present an update on the Air District’s preliminary financial results for the fourth quarter FYE 2014. The following information summarizes those results.

GENERAL FUND BUDGET: STATEMENT OF REVENUES

Comparison of Budget to Actual Revenues

County receipts	\$ 23,046,494	(106%)	of budgeted revenue.
Permit Fee receipts	\$ 27,471,448	(100%)	of budgeted revenue.
Title V Permit Fees	\$ 3,712,520	(101%)	of budgeted revenue.
Asbestos Fees	\$ 2,786,443	(147%)	of budgeted revenue.
Toxic Inventory Fees	\$ 554,553	(92%)	of budgeted revenue.
Penalties and Settlements	\$ 3,079,144	(181%)	of budgeted revenue.
Miscellaneous Revenues	\$ 116,840	(117%)	of budgeted revenue.
Interest Revenues	\$ 640,784	(231%)	of budgeted revenue.
Building Sale Net Proceeds	\$ 15,771,303	n/a	

GENERAL FUND BUDGET: STATEMENT OF EXPENDITURES

Comparison of Budget to Actual Expenditures

Personnel - Salaries*	\$33,441,465	(98%)	of budgeted expenditures.
Personnel - Fringe Benefits*	\$15,197,521	(103%)	of budgeted expenditures.
Operational Services and Supplies	\$14,314,528	(77%)	of budgeted expenditures.
Capital Outlay	\$ 4,172,041	(80%)	of budgeted expenditures
* Consolidated (includes Special Funds)			

CASH AND INVESTMENTS IN COUNTY TREASURY

(Based on the June 2014 Account Balance)

General Fund	\$40,145,317
TFCA	\$69,350,439
MSIF	\$34,144,921
Carl Moyer	\$12,770,463
CA Goods Movement	\$17,404,577
Total	\$173,815,717

FUND BALANCES	6/30/2012	6/30/2013	6/30/2014
	Audited	Audited	Unaudited
Building and Facilities	4,075,756	5,478,276	500,000
PERS Funding	1,500,000	2,016,169	800,000
Radio Replacement	75,000	100,808	-
Worker's Compensation	1,000,000	1,344,113	1,000,000
Post Employment Benefits	2,000,000	2,688,226	1,000,000
JD Edwards Software Upgrade			1,000,000
IT-Desktop Equipment			500,000
IT-Event Response			500,000
Capital Equipment	1,219,818	1,639,573	1,000,000
Tech-GHG Monitoring Equipment			360,900
Tech-Meteorological Network Equipment			417,100
Tech-Mobile Monitoring Instruments			450,000
Economic Uncertainties	130,660	175,622	10,114,309
TOTAL SPECIAL RESERVES	\$ 10,001,234	\$ 13,442,787	\$ 17,642,309
UNDESIGNATED (includes sale proceeds)	3,441,554	5,059,722	21,981,026
TOTAL FUND BALANCES	\$ 13,442,788	\$ 18,502,509	\$ 39,623,335

VENDOR PAYMENTS

In accordance with provisions of the Administrative Code, Division II Fiscal Policies and Procedures - Section 4 Purchasing Procedures: 4.3 Contract Limitations, staff is required to present recurring payments for routine business needs such as utilities, licenses, office supplies and the like, more than, or accumulating to more than \$70,000 for the fiscal year. In addition, this report includes all of the vendors receiving payments in excess of \$70,000 under contracts that have not been previously reviewed by the Board. In addition, staff will report on vendors

that undertook work for the Air District on several projects that individually were less than \$70,000, but cumulatively exceed \$70,000.

Below is a list of vendors including payments made during the entire 2014 fiscal year that exceeded \$70,000 and meets the reporting criteria noted above. All expenditures have been appropriately budgeted as a part of the overall Air District budget for Fiscal Year 2013-14.

	VENDOR NAME	AMOUNT PAID (July 2013 - June 2014)	Explanation
1	ALLIANT INSURANCE SERVICES	650,867	Various Insurance Policies
2	BOARD OF REGENTS	139,608	Laboratory analysis services
3	CA PUBLIC EMPLOYEE RETIREMENT SYSTEM	6,150,711	Health Insurance Plan
4	CA PUBLIC EMPLOYEE RETIREMENT SYSTEM	8,325,351	Retirement Benefits & 457 Supplemental Plan
5	CAPCOA	693,613	Pass through EPA grants
5	CERIDIAN	92,566	Payroll Processing Services
7	COMCAST	125,957	Internet Connections
8	COMPUCOM SYSTEMS, INC.	117,348	Microsoft license agreement
9	COMPUTER DISCOUNT WAREHOUSE	127,394	Computer Equipment
10	CSAC EXCESS INSURANCE AUTHORITY	679,492	Life Insurance Plan
11	CUBIC TRANSPORTATIONS SYSTEMS	311,735	Clipper Transit Subsidy
12	EMPLOYEE BENEFIT SPECIALISTS	190,593	Medical & Dependent Care Flexible Spending Plan
13	EMPLOYMENT DEVELOPMENT DEPT	179,409	Unemployment Insurance
14	ENTERPRISE FLEET SERVICES	478,315	Fleet Leasing and Maintenance services
15	ENVIRONICS INC.	106,173	Calibration Equipment
16	HARTFORD LIFE INS. CO.	453,293	Life Insurance Plan
17	MET ONE INSTRUMENTALS INC.	124,164	PM 2.5 Instrumentation and Shelters
18	NETAPP INC.	81,069	SF & SAC Net Application Support
19	ORACLE AMERICA INC.	75,779	Financial System License & Technical Support
20	PACIFIC GAS & ELECTRIC COMPANY	389,134	Utilities
21	PREFERRED BENEFIT INSURANCE AD	798,364	Dental Insurance Plan
22	PRICE WATERHOUSE COOPERS LLC	84,588	IT Forensic Technology Services for Malware Event
23	RENNE SLOAN HOLTZMAN & SAKAI	253,264	Human Resources Consulting Services
24	RICHMOND PARKWAY BUSINESS PARK	180,833	Building Lease
25	SHUTE MIHALY & WEINBERGER	157,093	Litigation & Professional Services
26	SONOMA TECHNOLOGY INC.	175,067	Programming and Special Studies
27	THERMO ENVIRONMENTAL INSTRUMENTS	123,643	Air monitoring and source test instrumentation
28	TYLEDYNE	208,536	Instrumentation for woodsmoke studies
29	VERIZON WIRELESS	178,735	Cell phone services
30	WRIGHT EXPRESS FLEET SERVICES	144,254	Fuel for Fleet

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Stephanie Osaze

Reviewed by: Jeff McKay

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Carole Groom and Members
of the Budget and Finance Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: November 13, 2014

Re: First Quarter Financial Report – Fiscal Year 2014-15

RECOMMENDED ACTION

None; receive and file.

DISCUSSION

Finance staff will present an update on the Air District’s financial results for the first quarter of FYE 2015. The following information summarizes those results.

GENERAL FUND BUDGET: STATEMENT OF REVENUES

Comparison of Budget to Actual Revenues

County receipts	\$ 221,845	(1%) of budgeted revenue.
Permit Fee receipts	\$ 17,195,396	(63%) of budgeted revenue.
Title V Permit Fees	\$ 3,042,530	(79%) of budgeted revenue.
Asbestos Fees	\$ 858,788	(37%) of budgeted revenue.
Toxic Inventory Fees	\$ 212,622	(38%) of budgeted revenue.
Penalties and Settlements	\$ 863,055	(51%) of budgeted revenue.
Miscellaneous Revenues	\$ 877	(1%) of budgeted revenue.
Interest Revenues	\$ 2,440	(1%) of budgeted revenue.

GENERAL FUND BUDGET: STATEMENT OF EXPENDITURES

Comparison of Budget to Actual Expenditures

Personnel - Salaries*	\$ 7,963,262	(23%) of budgeted expenditures.
Personnel - Fringe Benefits*	\$ 3,184,421	(21%) of budgeted expenditures.
Operational Services and Supplies	\$ 2,929,573	(13%) of budgeted expenditures.
Capital Outlay	\$ 1,139,837	(22%) of budgeted expenditures
* Consolidated (includes Special Funds)		

CASH AND INVESTMENTS IN COUNTY TREASURY

(Based on the September 2014 Account Balance)

General Fund	\$33,973,352
TFCA	\$71,837,888
MSIF	\$35,717,358
Carl Moyer	\$6,326,534
CA Goods Movement	\$17,000,299
Total	\$164,855,431

FUND BALANCES	6/30/2013	6/30/2014	6/30/2015
	Audited	Unaudited	Projected
Building and Facilities	5,478,276	500,000	500,000
PERS Funding	2,016,169	800,000	800,000
Radio Replacement	100,808	-	-
Worker's Compensation	1,344,113	1,000,000	1,000,000
Post Employment Benefits	2,688,226	1,000,000	1,000,000
JD Edwards Software Upgrade		1,000,000	1,000,000
IT-Desktop Equipment		500,000	500,000
IT-Event Response		500,000	500,000
Capital Equipment	1,639,573	1,000,000	1,000,000
Tech-GHG Monitoring Equipment		360,900	360,900
Tech-Meteorological Network Equipment		417,100	417,100
Tech-Mobile Monitoring Instruments		450,000	450,000
Economic Uncertainties	175,622	10,114,309	10,114,309
TOTAL SPECIAL RESERVES	\$ 13,442,787	\$ 17,642,309	\$ 17,642,309
UNDESIGNATED (includes Sale Proceeds)	5,059,722	21,981,026	21,981,026
TOTAL FUND BALANCES	\$ 18,502,509	\$ 39,623,335	\$ 39,623,335

VENDOR PAYMENTS

In accordance with provisions of the Administrative Code, Division II Fiscal Policies and Procedures - Section 4 Purchasing Procedures: 4.3 Contract Limitations, staff is required to present recurring payments for routine business needs such as utilities, licenses, office supplies and the like, more than, or accumulating to more than \$70,000 for the fiscal year. In addition, this report includes all of the vendors receiving payments in excess of \$70,000 under contracts that have not been previously reviewed by the Board. In addition, staff will report on vendors

that undertook work for the Air District on several projects that individually were less than \$70,000, but cumulatively exceed \$70,000.

Below is a list of vendors including payments made during the first quarter of 2014-2015 fiscal year that exceeded \$70,000 and meets the reporting criteria noted above. All expenditures have been appropriately budgeted as a part of the overall Air District budget for Fiscal Year 2014-15.

	VENDOR NAME	AMOUNT PAID (July 2014 - September 2014)	Explanation
1	ALLIANT INSURANCE SERVICES	415,112	Various Insurance Policies
2	CA PUBLIC EMPLOYEE RETIREMENT SYSTEM	1,550,095	Health Insurance Plan
3	CA PUBLIC EMPLOYEE RETIREMENT SYSTEM	1,967,098	Retirement Benefits & 457 Supplemental Plan
4	CSAC EXCESS INSURANCE AUTHORITY	243,680	Life Insurance Plan
5	CUBIC TRANSPORTATIONS SYSTEMS	81,296	Clipper Transit Subsidy
6	ENTERPRISE FLEET SERVICES	117,715	Fleet Leasing and Maintenance services
7	HARTFORD LIFE INS. CO.	112,261	Life Insurance Plan
8	PACIFIC GAS & ELECTRIC COMPANY	89,230	Utilities
9	PREFERRED BENEFIT INSURANCE AD	130,997	Dental Insurance Plan
10	RENNE SLOAN HOLTZMAN & SAKAI	92,675	Human Resources Consulting Services
11	THERMO ENVIRONMENTAL INSTRUMENTS	111,308	Air monitoring and source test instrumentation

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Stephanie Osaze
Reviewed by: Jeff McKay

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Carole Groom and Members
of the Budget and Finance Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: November 13, 2014

Re: 939 Ellis Street Sale Proceeds

RECOMMENDED ACTION

Recommend the Board of Directors reserve proceeds from the sale of 939 Ellis Street Headquarters in the General Fund Building Reserves; and transfer an appropriate amount not-to-exceed \$1,103,103 from the General Fund Building Reserves to Program 702 to cover the lease payment at 939 Ellis for the 2014-15 fiscal year.

BACKGROUND

On April 30, 2014, the Air District sold its current Headquarters building at 939 Ellis Street for \$16,400,000. After payment of all associated closing costs, the net proceeds are \$15,771,303. At the same time the Air District and the new owners, 939 Ellis LLC, entered into a one year lease agreement with an option to extend until June 30, 2016. Pursuant to the lease agreement, the current monthly base rent is \$91,925.17, totaling \$1,103,103 in lease payments for the current fiscal year. The Air District intends to lease the building until its new office space at 375 Beale Street is constructed.

The Air District financed its Beale Street office space by issuing \$30,000,000 in Certificates of Participation (COP) notes. The Air District anticipates exercising its option to purchase the property at move-in and agreed to contribute a minimum of \$8,500,000 towards the purchase of office space at 375 Beale Street using sale proceeds from 939 Ellis office building. The \$8,500,000 is due and payable as a one-time payment at acquisition date with base rental payments due monthly (approximately \$100,000/mo.) until the \$30,000,000 COP is paid in full. The proceeds from the sale of 939 Ellis should be set aside and used towards financing the District's current and future building needs and obligations.

BUDGET CONSIDERATION/FINANCIAL IMPACT

Of the \$15,771,303 from sale proceeds, \$14,668,200 will be transferred to the General Fund Building Reserves and \$1,103,103 will be appropriated to the FY 2014-15 General Fund Budget for Program 702.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Stephanie Osaze

Reviewed by: Jeff McKay