

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

## **APPROVED MINUTES**

Summary of Board of Directors  
Budget and Finance Committee Meeting  
Wednesday, January 23, 2013

### **1. Call to Order – Roll Call**

Board Chairperson Ash Kalra called the meeting to order at 9:41 a.m.

Present: Vice Chairperson Eric Mar; and Directors David Hudson and Mark Ross.

Absent: Chairperson Carole Groom; and Directors Susan Adams, John Gioia, Scott Haggerty, Brad Wagenknecht and Shirlee Zane.

Also Present: Board of Directors Chairperson Ash Kalra.

### **2. Public Comment Period: None.**

### **3. Air District Financial Audit Report for Fiscal Year Ending (FYE) 2012**

Jack Colbourn, Director of Administrative Services, introduced Peggy Vande Vooren, CPA, Shareholder, Gilbert Associates, Inc., who gave the presentation regarding the Air District Financial Audit Report for FYE 2012, including the Financial Audit Report of the Air District's Financial Statements for the FYE 2012, the Financial Audit Report of the OMB Circular A-133, and the Transportation Fund for Clean Air Compliance Reports for the Fiscal Year Ending 2012.

#### Committee Comments:

Director Hudson asked about Other Post-Employment Benefits which questions were answered by Ms. Vande Vooren, Jeff McKay, Deputy Air Pollution Control Officer (APCO), and Jack Broadbent, Executive Officer/APCO.

Director Hudson and Board Chairperson Kalra asked about the reporting of receivables and uncollectable items, which questions were answered by David Glasser, Finance Manager of Administrative Services, and Ms. Vande Vooren.

Public Comments: None.

Committee Action: None; informational only.

#### **4. Second Quarter Financial Report –FYE 2013**

Mr. Glasser gave the staff presentation Second Quarter Financial Report – FYE 2013. 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.

Director Ross asked, regarding slide #2, General Fund – Revenues, if the information is consistent with seasonal norms, which question was answered by Mr. Glasser.

Mr. Glasser concluded the staff presentation.

Committee Comments: None.

Public Comments: None.

Committee Action: None; informational only.

#### **5. Air District Financial Overview**

Mr. McKay gave the staff presentation Air District Financial Overview, including summaries of FYE 2012 and 2013, an Air District overview, general fund revenue sources and expenditures summary for FYE 2013, response to FYE 2013 fiscal challenge of vacancy distribution, trends in cost cutting of expenses FYE 2010 through 2013, and reviews of reserves and fees and cost recovery.

Committee Comments:

Board Chairperson Kalra commended the state of reserves and suggested staff address the staff vacancy rate.

Director Mar asked about the reserve level target for the Sacramento Metropolitan Air Quality Management District, which questions were answered by Messrs. McKay and Broadbent.

Director Hudson and Board Chairperson Kalra asked about staff vacancies which questions were answered by Mr. Broadbent.

Public Comments: None.

Committee Action: None; informational only.

#### **6. Update on the Joint Regional Agency Co-Location at 390 Main Street**

Mr. McKay gave the staff presentation Update on the Joint Regional Agency Co-Location at 390 Main Street, including disposition plans for 939 Ellis Street and an update on the status of the acquisition focused on the status of costs and financing for the Air District's portion of the building.

Directors Ross and Hudson and Mr. Broadbent discussed, regarding slide #2, Financing Draft Term Sheet, the use of sale proceeds.

Director Ross asked, regarding slide #2, Financing Draft Term Sheet, about square footage measurements, which questions were answered by Mr. McKay.

Mr. McKay concluded the staff presentation.

Committee Comments:

Board Chairperson Kalra asked about the cost of common space at 390 Main Street, which questions were answered by Brian Bunger, District Counsel, and Messrs. McKay and Broadbent.

Director Mar asked about the effect on the Air District purchase price of increased purchase costs for the Metropolitan Transportation Commission, which questions were answered by Mr. Broadbent.

Director Hudson asked for clarification regarding the interest rate agreement, which was provided by Mr. McKay.

Public Comments: None.

Committee Action: None; informational only.

7. **Approval of Minutes of October 24, 2012:** Approval of the minutes of October 24, 2012, was postponed for lack of a quorum.
8. **Committee Member Comments/Other Business:** None.
9. **Time and Place of Next Meeting:** Wednesday, February 27, 2013, at Bay Area Air Quality Management District Office, 939 Ellis Street, San Francisco, CA 94109 at 9:30 a.m.
10. **Adjournment:** The meeting adjourned at 10:57 a.m.

*151 Sean Gallagher*

Sean Gallagher  
Clerk of the Boards