



BOARD OF DIRECTORS  
BUDGET AND FINANCE COMMITTEE MEETING

COMMITTEE MEMBERS

BAY AREA  
AIR QUALITY  
MANAGEMENT  
DISTRICT

DAVID HUDSON – CHAIRPERSON  
JOHN GIOIA  
ERIC MAR  
MARK ROSS  
SHIRLEE ZANE

KATIE RICE – VICE CHAIRPERSON  
LIZ KNISS  
NATE MILEY  
BRAD WAGENKNECHT

WEDNESDAY  
APRIL 22, 2015  
9:30 A.M.

7<sup>th</sup> FLOOR BOARD ROOM  
939 ELLIS STREET  
SAN FRANCISCO, CA 94109

AGENDA

1. CALL TO ORDER - ROLL CALL

*The Committee Chair shall call the meeting to order and the Clerk of the Boards shall take roll of the Committee members.*

2. PUBLIC COMMENT ON NON-AGENDA MATTERS

*(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](http://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.*

Staff/Phone (415) 749-

3. APPROVAL OF THE MINUTES OF MARCH 25, 2015

Clerk of the Boards/5073

*The Committee will consider approving the draft minutes of the Board of Directors Budget and Finance Committee Meeting of March 25, 2015.*

4. CONTINUED DISCUSSION OF FISCAL YEAR ENDING (FYE) 2016 PROPOSED AIR DISTRICT BUDGET AND CONSIDERATION TO RECOMMEND ADOPTION

J. McKay/4629  
[jmckay@baaqmd.gov](mailto:jmckay@baaqmd.gov)

*The Committee will continue discussion of the proposed budget for Fiscal Year Ending (FYE) 2016 and consider recommending Board of Directors adoption of the proposed FYE 2016 Budget.*

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

**J. McKay/4629**

[jmckay@baaqmd.gov](mailto:jmckay@baaqmd.gov)

*The Committee will receive an update on the Air District's financial results for the third quarter of Fiscal Year Ending (FYE) 2015.*

**6. RENEWAL OF IT INFRASTRUCTURE**

**D. Breen/5041**

[dbreen@baaqmd.gov](mailto:dbreen@baaqmd.gov)

*The Committee will receive an update on the Air Districts efforts to renew its IT infrastructure as a part of the Air Districts move to 375 Beale Street.*

**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, May 27, 2015, Bay Area Air Quality Management District Office, 939 Ellis Street, San Francisco, California 94109 at 9:30 a.m.*

**9. ADJOURNMENT**

*The Committee meeting shall be adjourned by the Committee Chair.*

**CONTACT:**

**MANAGER, EXECUTIVE OPERATIONS**  
**939 ELLIS STREET, SAN FRANCISCO, CA 94109**  
**mmartinez@baaqmd.gov**

**(415) 749-5016**  
**FAX: (415) 928-8560**  
**BAAQMD homepage:**  
[www.baaqmd.gov](http://www.baaqmd.gov)

- To submit written comments on an agenda item in advance of the meeting. Please note that all correspondence must be addressed to the “Members of the Budget and Finance Committee” and received at least 24 hours prior, excluding weekends and holidays, in order to be presented at that Committee meeting. Any correspondence received after that time will be presented to the Committee at the following 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 in a timely manner, 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**

**APRIL 2015**

<b><u>TYPE OF MEETING</u></b>	<b><u>DAY</u></b>	<b><u>DATE</u></b>	<b><u>TIME</u></b>	<b><u>ROOM</u></b>
<b>Board of Directors Ad Hoc Building Committee</b> <i>(At the Call of the Chair)</i>	Wednesday	15	9:00 a.m.	Board Room
<b>Board of Directors Regular Meeting</b> <i>(Meets on the 1<sup>st</sup> &amp; 3<sup>rd</sup> Wednesday of each Month)</i>	Wednesday	15	9:45 a.m.	Board Room
<b>Board of Directors Executive Committee</b> <i>(Meets on the 3<sup>rd</sup> Monday of each Month) - CANCELLED</i>	Monday	20	9:30 a.m.	Board Room
<b>Board of Directors Personnel Committee</b> <i>(At the Call of the Chair)</i>	Monday	20	9:30 a.m.	Board Room
<b>Board of Directors Stationary Source Committee</b> <i>(Meets on the 3<sup>rd</sup> Monday of each Month)</i>	Monday	20	10:30 a.m.	Board Room
<b>Board of Directors Budget &amp; Finance Committee</b> <i>(Meets on the 4<sup>th</sup> Wednesday of each Month)</i>	Wednesday	22	9:30 a.m.	Board Room
<b>Board of Directors Mobile Source Committee</b> <i>(Meets on the 4<sup>th</sup> Thursday of each Month)</i>	Thursday	23	9:30 a.m.	Board Room

**MAY 2015**

<b><u>TYPE OF MEETING</u></b>	<b><u>DAY</u></b>	<b><u>DATE</u></b>	<b><u>TIME</u></b>	<b><u>ROOM</u></b>
<b>Board of Directors Regular Meeting</b> <i>(Meets on the 1<sup>st</sup> &amp; 3<sup>rd</sup> Wednesday of each Month)</i>	Wednesday	6	9:45 a.m.	Board Room
<b>Advisory Council Regular Meeting</b> <i>(Meets on the 2<sup>nd</sup> Wednesday of each Month)</i>	Wednesday	13	9:00 a.m.	Board Room
<b>Board of Directors Executive Committee</b> <i>(Meets on the 3<sup>rd</sup> Monday of each Month)</i>	Monday	18	9:30 a.m.	Board Room
<b>Board of Directors Stationary Source Committee</b> <i>(Meets on the 3<sup>rd</sup> Monday of each Month)</i>	Monday	18	10:30 a.m.	Board Room
<b>Special Board of Directors Meeting - Budget Hearing</b> <i>(At the Call of the Chair)</i>	Wednesday	20	9:45 a.m.	Board Room
<b>Board of Directors Regular Meeting</b> <i>(Meets on the 1<sup>st</sup> &amp; 3<sup>rd</sup> Wednesday of each Month)</i>	Wednesday	20	9:45 a.m.	Board Room

## MAY 2015

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
<b>Board of Directors Climate Protection Committee</b> <i>(Meets on the 3<sup>rd</sup> Thursday of Every Other Month)</i>	Thursday	21	9:30 a.m.	Board Room
<b>Board of Directors Budget &amp; Finance Committee</b> <i>(Meets on the 4<sup>th</sup> Wednesday of each Month)</i>	Wednesday	27	9:30 a.m.	Board Room
<b>Board of Directors Mobile Source Committee</b> <i>(Meets on the 4<sup>th</sup> Thursday of each Month)</i>	Thursday	28	9:30 a.m.	Board Room

## JUNE 2015

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
<b>Board of Directors Regular Meeting</b> <i>(Meets on the 1<sup>st</sup> &amp; 3<sup>rd</sup> Wednesday of each Month)</i>	Wednesday	3	9:45 a.m.	Board Room
<b>Advisory Council Regular Meeting</b> <i>(Meets on the 2<sup>nd</sup> Wednesday of each Month)</i>	Wednesday	10	9:00 a.m.	Board Room
<b>Board of Directors Executive Committee</b> <i>(Meets on the 3<sup>rd</sup> Monday of each Month)</i>	Monday	15	9:30 a.m.	Board Room
<b>Board of Directors Stationary Source Committee</b> <i>(Meets on the 3<sup>rd</sup> Monday of each Month)</i>	Monday	15	10:30 a.m.	Board Room
<b>Board of Directors Regular Meeting</b> <i>(Meets on the 1<sup>st</sup> &amp; 3<sup>rd</sup> Wednesday of each Month)</i>	Wednesday	17	9:45 a.m.	Board Room
<b>Board of Directors Budget &amp; Finance Committee</b> <i>(Meets on the 4<sup>th</sup> Wednesday of each Month)</i>	Wednesday	24	9:30 a.m.	Board Room
<b>Board of Directors Mobile Source Committee</b> <i>(Meets on the 4<sup>th</sup> Thursday of each Month)</i>	Thursday	25	9:30 a.m.	Board Room

HL – 4/7/15 (11:15 a.m.)

P/Library/Forms/Calendars/Moncal

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Memorandum

To: Chairperson Dave Hudson and Members  
of the Budget and Finance Committee

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

Date: April 8, 2015

Re: Approval of the Minutes of March 25, 2015

RECOMMENDED ACTION

Approve the attached draft minutes of the Budget and Finance Committee (Committee) meeting of March 25, 2015.

DISCUSSION

Attached for your review and approval are the draft minutes of the Committee meeting of March 25, 2015.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Sean Gallagher  
Reviewed by: Maricela Martinez

Attachment: Draft Minutes of the Committee Meeting of March 25, 2015

## AGENDA: 3 – ATTACHMENT

Draft Minutes – Budget and Finance Committee Meeting of March 25, 2015

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

### DRAFT MINUTES

Summary of Board of Directors  
Budget and Finance Committee Meeting  
Wednesday, March 25, 2015

#### 1. CALL TO ORDER – ROLL CALL

Budget and Finance Committee (Committee) Chairperson David Hudson called the meeting to order at 9:33 a.m.

Present: Committee Chairperson David Hudson; Vice-Chairperson Katie Rice; and Directors Liz Kniss, Eric Mar, Nate Miley, Mark Ross and Brad Wagenknecht.

Absent: Directors John Gioia and Shirlee Zane.

Also Present: Board of Directors (Board) Chairperson Carole Groom.

2. **PUBLIC COMMENT ON NON-AGENDA MATTERS:** No requests received.

#### 3. PROPOSED AMENDMENTS TO REGULATION 3: FEES (OUT OF ORDER AGENDA ITEM 4)

Jeff McKay, Deputy Air Pollution Control Officer gave the staff presentation *Draft Amendments to Regulation 3: Fees*, including an overview of revenue sources in the Fiscal Year Ending (FYE) 2014 budget; summaries of the cost recovery policy and background; trends in cost cutting; proposed changes to fee schedules; greenhouse gas fees and other proposed amendments; impacts on small businesses and large facilities; public comments; and the rule development schedule.

The Committee and staff discussed, at slide 5, *Cost Recovery Background*, the inconsistent increase in the cost recovery rate year-over-year.

NOTED PRESENT: Director Ross was noted present at 9:40 a.m.

Mr. McKay concluded the presentation.

#### Committee Comments:

The Committee and staff discussed the accuracy of comments received regarding “greenhouse gas (GHG) fees duplicative of state programs;” what specific proposal the comment “fees for alterations are too high” is directed toward and details of the related discussions between staff

and stakeholders; the cost recovery rate that will result from the 50% alteration fee under Section 3-304; the impact on the cost recovery rate that result from the proposed GHG fee increase and long-term plan or target; the broader GHG regulatory and climate protection scheme that is evolving; and which fees are the largest sources of revenue.

NOTED PRESENT: Director Kniss was noted present at 9:53 a.m. and Director Miley was noted present at 9:54 a.m.

Committee Chairperson Hudson opened the public meeting.

Public Comments: No requests received.

Committee Chairperson Hudson closed the public meeting.

Committee Comments (continued):

The Committee and staff discussed the growth of GHG fees and the causes; the viability of establishing a trigger in the future so that 85% cost recovery is more easily maintained once achieved; a possible amendment to the cost recovery policy to increase the target to 90% once 85% is achieved; the continuing requirement that the Board annually review and approve fee increases even if a trigger mechanism was established; the challenges presented by consumer price index (CPI) relative to establishing a mechanism for future increases; and additional background regarding the cost recovery policy.

NOTED PRESENT: Director Mar was noted present at 10:05 a.m.

Committee Action: None; receive and file.

#### **4. DISCUSSION OF PROPOSED BUDGET FOR FYE 2016 (AGENDA ITEM 5)**

Mr. McKay gave the staff presentation *Proposed FYE 2016 Budget*, including revenue projections for FYE 2015; overviews of the reserve funds and transfers, proposed budget, general fund revenue sources, and general fund expenditures for FYE 2016; year-over-year analysis of services and supplies and capital; proposed fees; climate program staffing; overall staffing level; FYE 2016 fund balance summary; use of reserves recommendations; fund balance policy; unfunded liabilities; and new office building obligations.

The Committee and staff discussed, at slide 14, *FYE 2016 Use of Reserves Recommendations*, why the building acquisition remains as an outstanding line item when the purchase is complete.

Mr. McKay continued the presentation.

The Committee and staff discussed, at slide 17, *Unfunded Liabilities, Response for CalPERS [California Public Employees' Retirement System]*, the usefulness to the Committee and Board of the previously presented graph showing the advantages of early and continuous contributions to fund Other Post-Employment Benefits (OPEB).

Mr. McKay continued the presentation.



The Committee and staff discussed, at slide 18, *Unfunded Liabilities, Response for OPEB*, the value of lessening long-term liability sooner than later; the history of and future projection for OPEB funding levels; the history of CalPERS funding levels; and the cost of the building purchase at 375 Beale and whether there is a value in prepayment of the loan.

Mr. McKay concluded the presentation.

Committee Comments:

The Committee and staff discussed the adequacy of the laboratory and monitoring equipment budget and reserves expenditure in light of public comments regarding the need for increased monitoring capability; the reason for the increase in the line item “Pension Benefits” on page 12 of the proposed budget; the increased budget allocation on pages 81 through 90 for enhancing the Spare the Air program; if additional funds are already or might be designated to support incentives for retrofitting wood burning equipment in light of the recent Board discussion regarding the short list of repeat offenders; the importance of the narrative regarding proposals to ban wood burning fireplaces; how the transition of the regional bike share program, on page 174 of the proposed budget, to administration by a private company will impact funding and staffing; and the projected move-in date for, and budget impact of, the move to 375 Beale.

Public Comments: No requests received.

Committee Action: None; receive and file.

**5. COMMITTEE MEMBER COMMENTS / OTHER BUSINESS (AGENDA ITEM 6)**

The Committee and staff discussed the possibility of revising the meeting agenda template to highlight, under Public Comment on Non-Agenda Matters, that speakers should limit themselves to “any subject within the Board’s authority” and clarification on the changes made between different versions of the draft budget.

**6. APPROVAL OF THE MINUTES OF FEBRUARY 25, 2015 (AGENDA ITEM 3)**

Committee Comments: None.

Public Comments: No requests received.

Committee Action:

Director Wagenknecht made a motion, seconded by Director Rice, to approve the Minutes of February 25, 2015; and the motion carried by the following vote of the Committee:

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

**7. TIME AND PLACE OF NEXT MEETING**

Wednesday, April 22, 2015, 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 10:50 a.m.

Sean Gallagher  
Clerk of the Boards

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Memorandum

To: Chairperson David Hudson and Members  
of the Budget and Finance Committee

From: Jack P. Broadbent  
Executive Officer/APCO

Date: April 8, 2015

Re: Continued Discussion of Fiscal Year Ending (FYE) 2016 Proposed Air District Budget  
and Consideration to Recommend Adoption

**RECOMMENDED ACTION**

The Committee will continue discussion of the proposed budget for FYE 2016 and consider recommending that the Board of Directors:

1. Adopt the FYE 2016 Proposed Budget;
2. Change Reserve Policy to 20% of the General Fund Budget; and
3. Establish a 90% minimum funding level policy for Other Post-Employment Benefits (OPEB)

**BACKGROUND**

As directed by the Board of Directors at its March 18, 2015, regular board meeting, the FYE 2016 Proposed Budget was referred to the Budget and Finance Committee for review at the Committee's March 25, 2015, meeting.

On March 25, 2015, staff presented the FYE 2016 Proposed Budget to the Committee. The Proposed Budget is balanced, with the General Fund totaling \$81.5 million and the Consolidated Funds (including program distributions) totaling \$146.5 million. Proposed capital requests are \$4.0 million.

**DISCUSSION**

The Committee will continue its discussion on the FYE 2016 Proposed Budget at its April 22, 2015, meeting. The FYE 2016 Proposed Budget includes several recommendations for the Committee's consideration:

- Proposed Reserve Policy Change from 15% to 20% of general fund expenditures to cover 2.5 months of the proposed operating budget
- Establish a 90% minimum target funding level for (OPEB)
- Continuation of \$3.0 million contribution to prefund OPEB

- Prefund CalPERS pension plan in an amount of 5% of Annual Required Contribution (ARC)
- Appropriate \$9.0 million from the building sale proceeds for down payment on 375 Beale Street Office acquisition
- Use of reserves to fund one-time capital purchases

In addition to these recommendations, the Committee directed staff to prepare for the April 22, 2015, meeting the following:

- Analysis of potential savings for prefunding CalPERS
- Additional funding consideration for wood smoke reduction incentives

Staff will present information on these items at its April 22, 2015, Committee meeting

Staff requests that the Budget and Finance Committee at its, April 22, 2015, meeting complete its review and take action on the proposed budget. This will allow staff the necessary time required to amend, if necessary, the budget for the first public hearing to be held on May 20, 2015.

Staff will publish, prior to April 22, 2015, a notice to the general public that the first of two public hearings on the budget will be conducted on May 20, 2015, and that the second hearing will be conducted on June 3, 2015.

#### BUDGET CONSIDERATION/FINANCIAL IMPACT

The proposed consolidated budget for FYE 2016 is \$146,465,660 and is a balanced budget.

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 David Hudson and Members  
of the Budget and Finance Committee

From: Jack P. Broadbent  
Executive Officer/APCO

Date: April 8, 2015

Re: Third Quarter Financial Report – Fiscal Year Ending (FYE) 2015

RECOMMENDED ACTION

None; receive and file.

DISCUSSION

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

GENERAL FUND BUDGET: STATEMENT OF REVENUES

Comparison of Budget to Actual Revenues

County Receipts	\$ 14,143,237	(63%) of budgeted revenue.
Permit Fees	\$ 26,344,843	(96%) of budgeted revenue.
Title V Permit Fees	\$ 4,039,072	(104%) of budgeted revenue.
Asbestos Fees	\$ 2,387,824	(104%) of budgeted revenue.
Toxic Inventory Fees	\$ 361,974	(65%) of budgeted revenue.
Penalties and Settlements	\$ 1,876,389	(109%) of budgeted revenue.
Interest Revenues	\$ 137,312	(72%) of budgeted revenue.
Miscellaneous Revenues	\$ 67,193	(59%) of budgeted revenue.

GENERAL FUND BUDGET: STATEMENT OF EXPENDITURES

Comparison of Budget to Actual Expenditures

Personnel - Salaries*	\$24,978,191	(71%) of budgeted expenditures.
Personnel - Fringe Benefits*	\$12,125,074	(79%) of budgeted expenditures.
Operational Services and Supplies	\$10,858,632	(51%) of budgeted expenditures.
Capital Outlay	\$ 2,621,384	(50%) of budgeted expenditures
<i>* Consolidated (includes Special Funds)</i>		

CASH AND INVESTMENTS IN COUNTY TREASURY

(Based on the March 2015 Account Balance)

General Fund	\$52,512,174
TFCA	\$74,112,609
MSIF	\$34,423,877
Carl Moyer	\$2,159,235
CA Goods Movement	\$13,094,006
Total	<u>\$176,301,901</u>

<b>FUND BALANCES</b>	<b>6/30/2014 Audited</b>	<b>Board Approved Transfer</b>	<b>6/30/2015 Projected</b>
Reserve for Building and Facilities	\$ 500,000	\$ (500,000)	\$ -
Reserve for Capital Equipment Contingency	\$ 1,000,000		\$ 1,000,000
Reserve for Economic Contingency	\$ 10,114,309		\$ 10,114,309
Reserve for IT-Desktop Equipment	\$ 500,000		\$ 500,000
Reserve for IT- Event Response	\$ 500,000		\$ 500,000
Reserve for JD Edwards Software Upgrade	\$ 1,000,000	\$ (1,000,000)	\$ -
Reserve for Pension & Post Employment Liability	\$ 1,800,000		\$ 1,800,000
Reserve for Tech- GHG Monitoring Equipment	\$ 360,900		\$ 360,900
Reserve for Tech- Meterological Network Equipment	\$ 417,100		\$ 417,100
Reserve for Tech- Mobile Monitoring Instruments	\$ 450,000		\$ 450,000
Reserve for Worker's Comp Self -Funding	\$ 1,000,000		\$ 1,000,000
Unreserved and Undesignated	\$ 7,404,751	\$ (358,036)	\$ 7,046,715
<b>TOTAL SPECIAL RESERVES</b>	<b>\$ 25,047,060</b>	<b>\$ (1,858,036)</b>	<b>\$ 23,189,024</b>
Building Proceeds	\$ 14,668,200	\$ (500,000)	\$ 14,168,200
	-		-
<b>TOTAL BUILDING PROCEEDS</b>	<b>\$ 14,668,200</b>	<b>\$ (500,000)</b>	<b>\$ 14,168,200</b>
<b>TOTAL FUND BALANCE</b>	<b>\$ 39,715,260</b>	<b>\$ (2,358,036)</b>	<b>\$ 37,357,224</b>

## 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 third 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.

	<b>VENDOR NAME</b>	<b>AMOUNT PAID (July 2014 - March 2015)</b>	<b>Explanation</b>
1	ALLIANT INSURANCE SERVICES	416,584	Various Business Insurance Policies
2	CA PUBLIC EMPLOYEE RETIREMENT SYSTEM	4,716,788	Health Insurance Plan
3	CA PUBLIC EMPLOYEE RETIREMENT SYSTEM	6,373,962	Retirement Benefits & 457 Supplemental Plan
4	CAPCOA	620,241	Pass through EPA grants
5	COMPUCOM SYSTEMS, INC.	150,120	Microsoft license agreement
6	COMPUTER DISCOUNT WAREHOUSE	77,249	IT Servers Maintenance
7	CSAC EXCESS INSURANCE AUTHORITY	551,941	Life Insurance Plan & LTD Insurance
8	CUBIC TRANSPORTATIONS SYSTEMS	241,312	Clipper Transit Subsidy
9	DIRECT MAIL CENTER	84,222	Bulk Mailing Services
10	EMPLOYEE BENEFIT SPECIALISTS	189,611	Medical & Dependent Care Flexible Spending Plan
11	ENTERPRISE FLEET SERVICES	379,404	Fleet Leasing and Maintenance services
12	EPLUS TECHNOLOGY, INC.	138,543	Cisco Maintenance and Support
13	HARTFORD LIFE INS. CO.	303,873	457 Supplemental Insurance
14	NETAPP INC.	85,198	SF & SAC Net Application Support
15	PACIFIC GAS & ELECTRIC COMPANY	309,566	Utilities
16	PREFERRED BENEFIT INSURANCE AD	521,198	Dental Insurance Plan
17	RENNE SLOAN HOLTZMAN & SAKAI	138,868	Human Resources Consulting Services
18	RICHMOND PARKWAY BUSINESS PARK	166,950	Building Lease
19	SONOMA TECHNOLOGY INC.	119,873	Programming & Special Studies
20	THERMO ENVIRONMENTAL INSTRUMENTS	153,580	Air monitoring and source test instrumentation
21	VERIZON WIRELESS	146,630	Cell phone services
22	WRIGHT EXPRESS FLEET SERVICES	89,173	Fuel for Fleet

**BUDGET CONSIDERATION/FINANCIAL IMPACT**

None; receive and file.

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 Dave Hudson and Members  
of the Budget and Finance Committee

From: Jack P. Broadbent  
Executive Officer/APCO

Date: April 22, 2015

Re: Renewal of IT Infrastructure

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

In July 2010, the Air District entered into a six year capital lease agreement for the purchase of IT infrastructure including computer servers, storage and networking equipment. The terms of the lease require that the Air District make a single annual payment of \$368,000 in July every year for six consecutive years, with the final payment due in July 2015, Fiscal Year Ending (FYE) 16.

The expected useful life of the IT infrastructure purchased under this lease is six years, thus the Air District had planned to replace this equipment in 2016 (FYE 17). However, as the Air District is currently scheduled to move its offices to 375 Beale Street in late 2015 (FYE 16), the Air District Board of Directors approved an accelerated payoff of the equipment under the current lease in preparation for the purchase of new IT infrastructure for 375 Beale Street.

DISCUSSION

Procuring equipment every six years allows the Air District to take advantage of price reductions available in quantity procurements. In addition, a capital lease allows the Air District to maintain relatively constant annual costs for IT infrastructure instead of making single large capital investments every six years.

The Air District is now working towards procuring new IT infrastructure and has issued a Request for Proposal (RFP) for services to design the new IT infrastructure for installation at 375 Beale Street.

Staff will review the status of the current design services RFP as well as the strategy for the ultimate procurement and installation of IT infrastructure at 375 Beale Street.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Reviewed by: Damian Breen  
Prepared by: John Chiladakis