

Bay Area Air Quality Management District
375 Beale Street, Suite 600
San Francisco, California 94105
(415) 749-5073

APPROVED MINUTES

Summary of Board of Directors
Budget and Finance Committee Meeting
Friday, December 16, 2016

1. CALL TO ORDER – ROLL CALL

Budget and Finance Committee (Committee) Chairperson David Hudson called the meeting to order at 9:31 a.m.

Present: Committee Chairperson David Hudson, Vice Chair Katie Rice; and Directors, Mark Ross, and Brad Wagenknecht.

Absent: Directors John Gioia, Carole Groom, Liz Kniss, Nate Miley, and Jan Pepper.

Also Present: Director Scott Haggerty.

2. PUBLIC COMMENT ON NON-AGENDA MATTERS:

No requests received.

3. FOURTH QUARTER PRELIMINARY FINANCIAL REPORT – FISCAL YEAR ENDING 2016 (OUT OF ORDER, ITEM 4)

Dr. Jeff McKay, Deputy Air Pollution Control Officer, introduced Stephanie Osaze, Finance Manager, who gave the staff presentation *Preliminary Fourth Quarter Financial Report – Fiscal Year Ending (FYE) 2016*, including: overview; General Fund revenues; revenue comparison of prior year versus current year; General Fund expenses; expenditure comparison of prior year versus current year; investments; fund balance and unfunded liabilities; purchasing reporting requirements; and FYE 2016 vendor payments.

NOTED PRESENT: Director Haggerty, who is not a voting member of the Committee, was noted present at 9:44 a.m.

Public Comments:

No requests received.

Committee Comments:

The Committee and staff discussed why so great an interest revenue was projected last year; how a reduction on the emission factor for diesel, which occurred after the budget was adopted,

contributed to a deficiency in toxic Inventory Fees, and how this value is expected to increase following the adoption of Regulation 2, Rule 5: New Source Review of Toxic Air Contaminants; unforeseen but opportunistic expenses for the 375 Beale Street parking structure and new computer equipment; the 7.5% CalPERS return rate and the possibility of changes in the return rate for the next fiscal year; and how much the actuarial valuation has decreased since last year and how frequently this is calculated.

Committee Action:

None; receive and file.

4. FIRST QUARTER FINANCIAL REPORT – FISCAL YEAR ENDING (FYE) 2017 (ITEM 5)

Ms. Osaze, gave the staff presentation *First Quarter Financial report – Fiscal Year Ending 2017*, including; overview; General Fund revenues; revenue comparison of prior year versus current year; General Fund expenses; expenditure comparison of prior year versus current year; investments; fund balance and unfunded liabilities; purchasing reporting requirements; and FYE 2017 vendor payments.

Public Comments:

No requests received.

Committee Comments:

None.

Committee Action:

None; receive and file.

5. 375 BEALE BEALE STREET ACQUISITION UPDATE (ITEM 6)

Dr. McKay gave the staff presentation *375 Beale Street Acquisition Update*, including: outline; 375 Beale Street; lease purchase agreement; financing; condominium; floor plans; additional purchase; and district reserves.

Public Comments:

No requests received.

Committee Comments:

The Committee and staff discussed why additional space is needed on the seventh floor; potential impacts from the Metropolitan Transportation Commission/Association of Bay Area Governments (MTC/ABAG) merger to District space on the seventh floor; whether or not the District plans to purchase the area on the eighth floor that the District occupies; how the seventh

floor is the only floor in the building with District and MTC joint ownership; whether or not the building is fully rented or occupied; whether or not the \$45 million in available District reserves may be allocated towards pension liabilities and OPEB payments; shared costs among tenants; the building's energy provider; the Bay Area Headquarters Authority's role regarding the facilitation of contracts, shared services, and joining CleanPowerSF, San Francisco's Community Choice Aggregation program; District energy consumption at 939 Ellis Street compared to 375 Beale Street; and the District's intentions of implementing solar or other sustainable measures at 375 Beale Street.

Committee Action:

None; receive and file.

6. APPROVAL OF THE MINUTES OF MARCH 23, 2016 AND APRIL 27, 2016 (ITEM 3)

Public Comments:

No requests received.

Committee Comments:

The Chair of the Board of Directors was not present to designate Director Haggerty a substitute voting member of the Committee, which meant that only four voting members were present, and a quorum of five voting members was not met.

Committee Action:

Lacking a quorum, a consensus of the Committee members present postponed the approval of the minutes of March 23, 2016 and April 27, 2016.

7. COMMITTEE MEMBER COMMENTS / OTHER BUSINESS

None.

8. TIME AND PLACE OF NEXT MEETING

Wednesday, January 25, 2017, Bay Area Air Quality Management District Office, 375 Beale Street, San Francisco, CA 94105 at 9:30 a.m.

9. ADJOURNMENT

The meeting adjourned at 10:22 a.m.

/s/ Marcy Hiratzka

Marcy Hiratzka
Clerk of the Boards