

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

Board of Directors Special Meeting / Budget Hearing
Wednesday, May 2, 2018

APPROVED MINUTES

*Note: Audio recordings of the meeting are available on the website of the
Bay Area Air Quality Management District at
www.baaqmd.gov/bodagendas*

CALL TO ORDER

1. Board of Directors (Board) Chairperson, David Hudson, called the meeting to order at 9:33 a.m.

Roll Call:

Present: Chairperson David Hudson; Vice Chairperson Katie Rice; Secretary Rod Sinks; and Directors John J. Bauters, David J. Canepa, Cindy Chavez, Pauline Russo Cutter, John Gioia, Carole Groom, Scott Haggerty, Tyrone Jue, Doug Kim, Liz Kniss, Karen Mitchoff, Hilary Ronen, Mark Ross, Pete Sanchez, Jim Sperring, Brad Wagenknecht, and Shirlee Zane.

Absent: Directors Margaret Abe-Koga, Teresa Barrett, and Nate Miley.

PUBLIC HEARING

2. First Public Hearing to Consider Testimony on the Air District's Proposed Budget for Fiscal Year Ending (FYE) 2019. A Final Public Hearing is scheduled for Wednesday, June 6, 2018 to Consider Adoption of the Proposed Budget for FYE 2019.

Dr. Jeff McKay, Chief Financial Officer, gave the staff presentation *First Public Hearing on the Proposed Air District Budget for Fiscal Year Ending 2019*, including: outline, current fiscal year (FYE 2018 projections); financial history (actions taken during downturn, and audited District reserves); services and supplies and capital; staffing trend (filled seats); medical retirement (Other Post-Employment Benefits) (OPEB); California Public Employees' Retirement System (CalPERS) pension (historical Rate of Return and Funding Ratio); FYE 2019 Proposed Budget overview; General Fund revenue sources and expenditures (of FYE 2019 Proposed Budget); recurring revenues and expenditures of FYE 2019 Proposed Budget; fees and cost recovery (overview and future state); FYE 2019 proposed staffing; 22 additional staffing positions; 16 new staffing requests; Reserves policy; reserves designations (of FYE 2019 Proposed Budget); FYE 2019 use of Reserves; retirement liabilities; OPEB overview; medical retirement plan funding policy recommendation; CalPERS pension plan (retirement overview and funding policy recommendation); alternate asset allocations for discretionary funds; Budget summary (FYE 2019); and next steps.

NOTED PRESENT: Director Chavez was noted present at 9:36 a.m.; Director Ross was noted present at 9:43 a.m.; Director Bauters was noted present at 9:44 a.m.; Director Haggerty was noted present at 9:45 a.m.; Director Ronen was noted present at 9:48 a.m.; Director Zane was noted present at 9:49 a.m.; and Director Wagenknecht was noted present at 10:10 a.m.

Chair Hudson opened the first of two required public hearings for the exclusive purpose of considering testimony on the Air District's Proposed Budget for FYE 2019.

Public Comments:

No requests received.

Board Comments:

The Board and staff discussed the request for a chart of additional proposed staffing positions and their funding sources; the opinion that a Section 115 pension Trust appropriately aligns with the District's investment goals; courses of action the District is considering, should the California Air Resources Board fail to allocate to the District the promised funding for Assembly Bill (AB) 617 efforts; the clarification that air districts cannot recover AB 617 costs using collected fees, as many communities do not have large stationary sources; the suggestion that the District engages with Budget Subcommittee 4 on State Administration and General Government to request surplus revenue for AB 617 implementation and additional staffing needs; the suggestion that the District informs gubernatorial candidates about air districts' needs for continued AB 617 funding; and the District's engagement with local legislators regarding the need for the promised funds for AB 617.

Chair Hudson closed the public hearing.

Board Action:

None; receive and file. Final action will be taken at the conclusion of the second public hearing, scheduled for June 6, 2018.

PUBLIC COMMENT ON NON-AGENDA MATTERS

3. Public Comment on Non-Agenda Items, Pursuant to Government Code Section 54954.3

No requests received.

OTHER BUSINESS

4. Board Members' Comments

None.

5. Time and Place of Next Meeting

Wednesday, June 6, 2018, Bay Area Air Quality Management District Office, 1st Floor Board Room, 375 Beale Street, San Francisco, CA 94105 at 9:30 a.m.

6. Adjournment

The meeting adjourned at 10:21 a.m.

/S/ Marcy Hiratzka
Marcy Hiratzka
Clerk of the Boards