



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

AGENDA: 4

Formation of an Executive Support Standing Committee

**Administration Committee Meeting
December 1, 2021**

**Cindy Chavez, Board Chairperson
Lori Wilson, Board Member**



Outcome

- Consistent evaluation of and support to both the Executive Officer and the District Counsel.
- A standardized evaluation process.

Background



- Current Air District annual evaluation process.
- Model program created by the City of Suisun, in partnership with the City of Fairfield.



Recommendations

- Creation of an ad hoc or standing oversight committee.
- Quarterly meetings.
- Employee 360 degree or equivalent evaluation every 3 years.
- Outside counsel assess the current annual evaluation process and create a standardized annual evaluation process.
- Provide each Board member with a list of the annual evaluation questions, past years' materials, and previous evaluations at the beginning of each new year.



AGENDA: 5

Source: LiPo Ching, Bay Area News Group

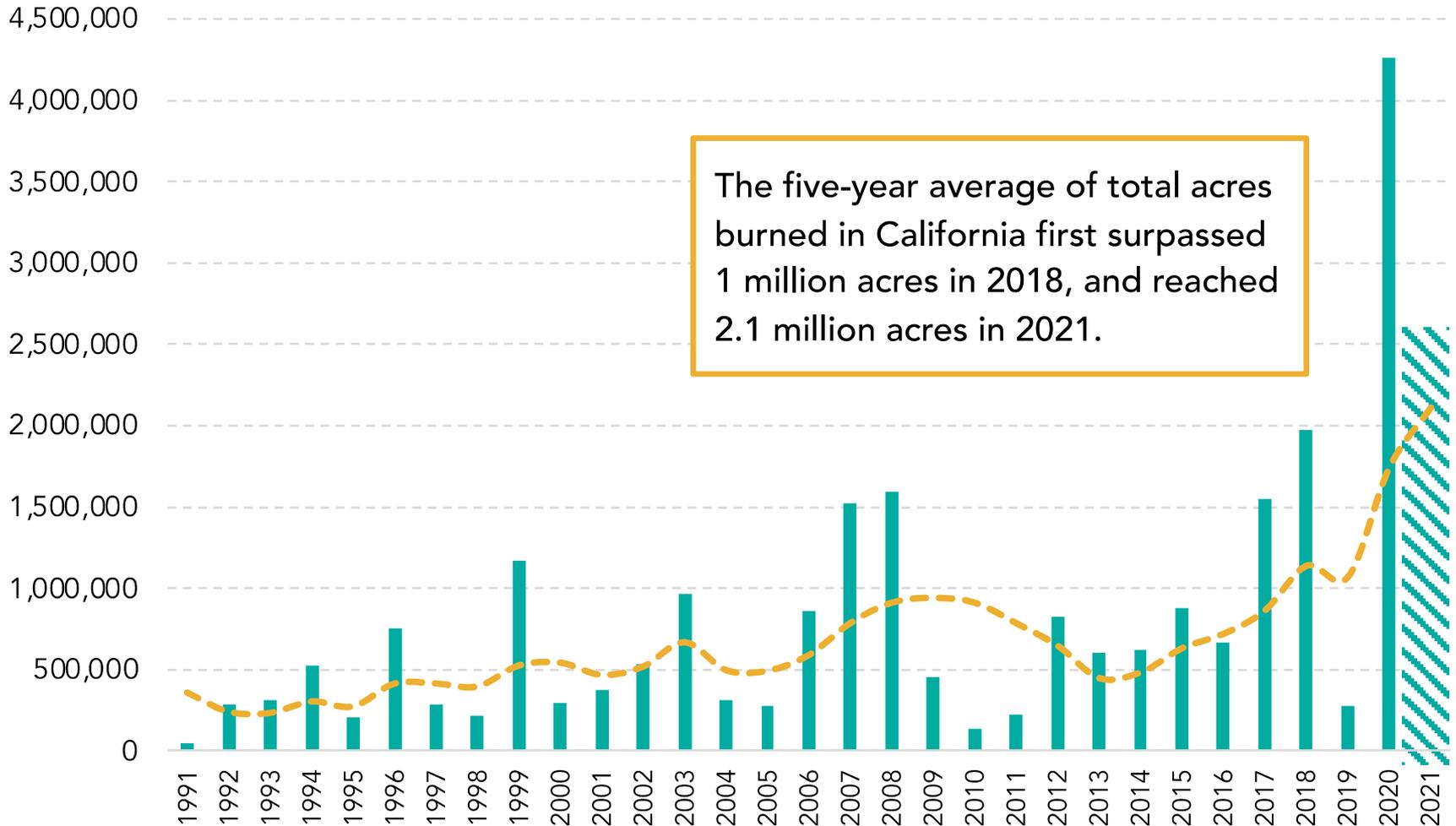
The True Cost of Wildfires in California

December, 2021



Annual Wildfire Acres Burned in California

with 5-year Moving Average (1991-2021)



The five-year average of total acres burned in California first surpassed 1 million acres in 2018, and reached 2.1 million acres in 2021.

Note: 2021 acres burned is a preliminary estimate through 10/25/2021.

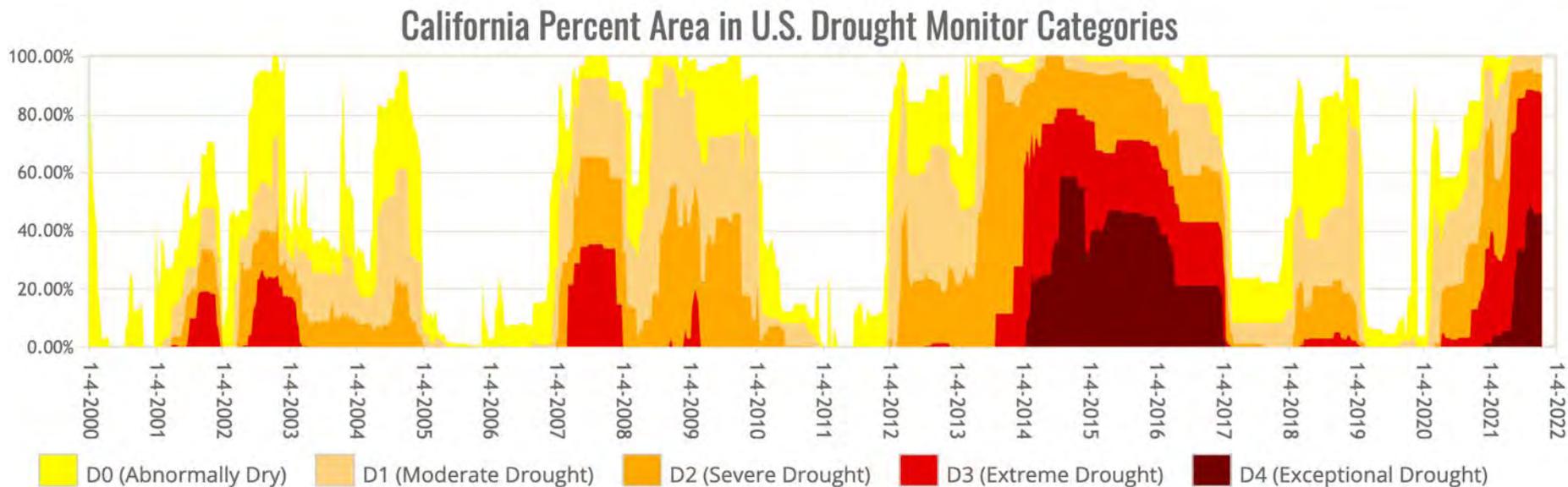
Data: CAL FIRE

Analysis: Bay Area Council Economic Institute

 Total Acres  5-year Average

Factors that have Increased the Severity of Wildfires in California

(1) Severe Drought

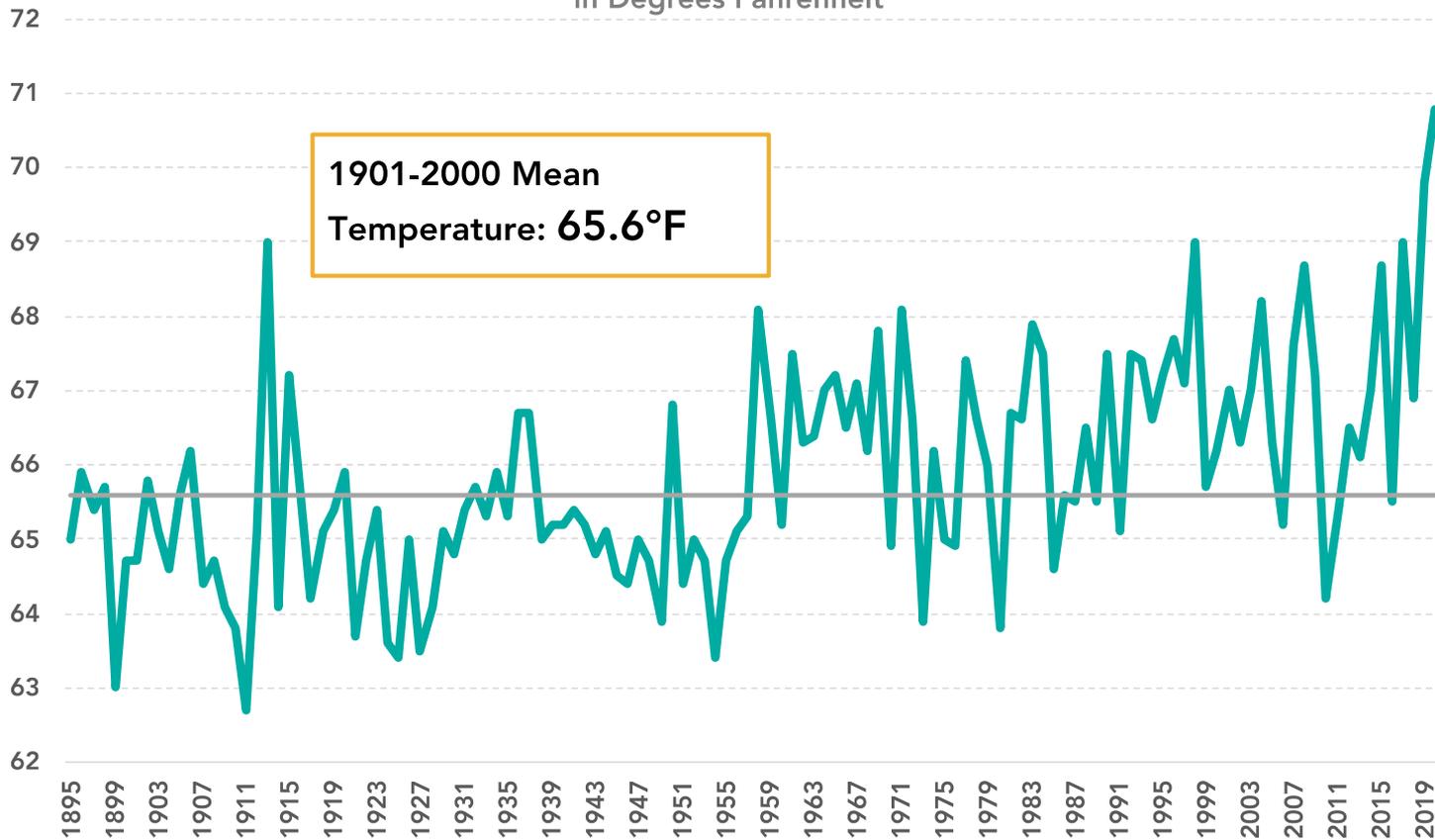


Source: U.S. Drought Monitor

Factors that have Increased the Severity of Wildfires

(2) Long-term Warming Trend

Average Temperature for August in Sonoma County
in Degrees Fahrenheit

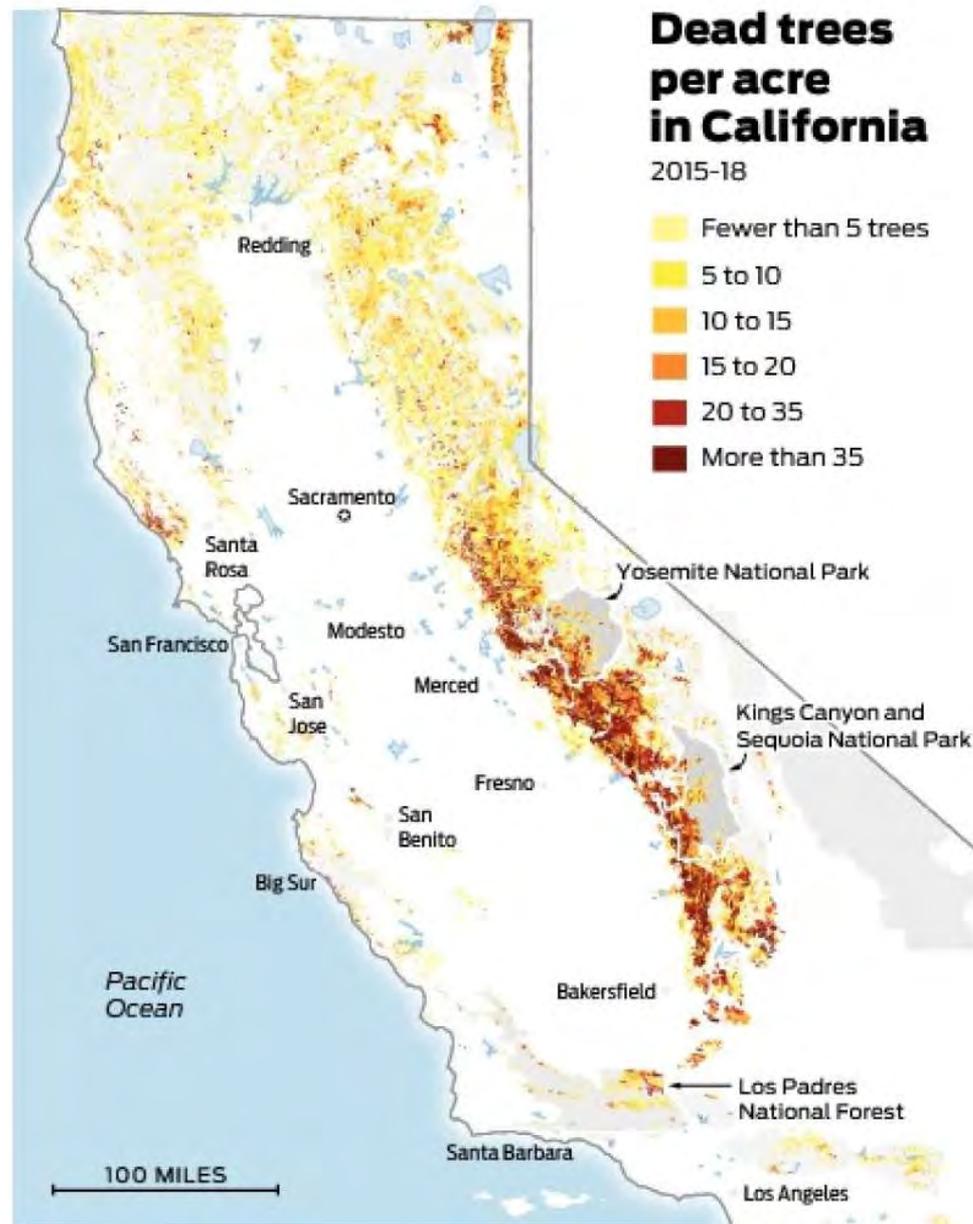


Data: National Oceanic and Atmospheric Administration
Analysis: Bay Area Council Economic Institute

Factors that have Increased the Severity of Wildfires

(3) Tree Mortality / Fire Suppression

- 150 million trees have died in California from 2010 to 2018
- Forests are 2-3 times denser than a century ago



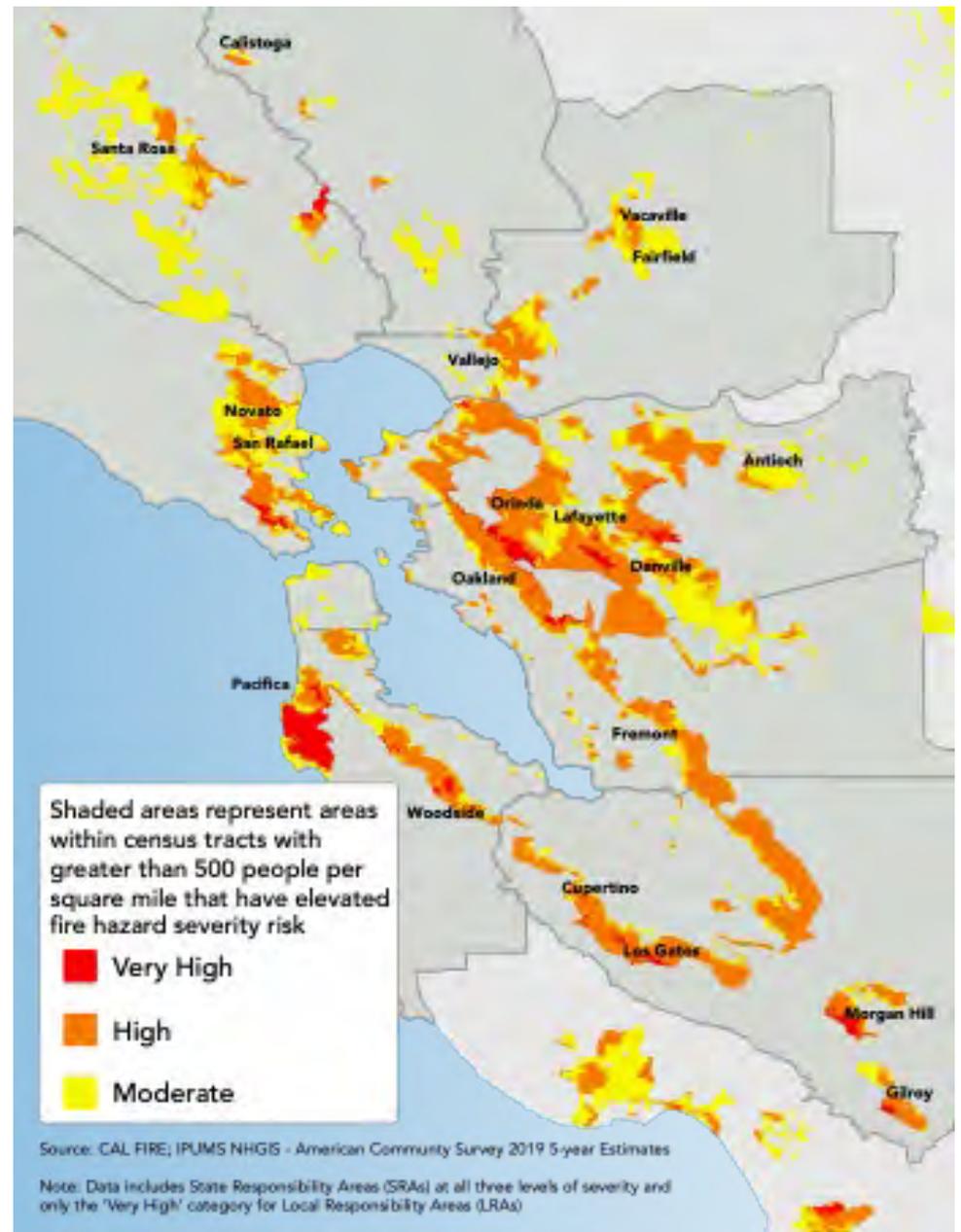
Source: USDA Forest Service

The Chronicle

Factors that have Increased the Severity of Wildfires

(4) Housing Development in WUI

- 1/3 of CA homes are in the WUI
- 45% of new home construction occurs in the WUI



Economic Losses are Growing: Produced \$8 Billion in Insured Losses

2020 Fires

Most Destructive Wildfires in California, Ranked by Insured Losses

Rank	Year	Name	County	Estimated Insured Losses (in millions)	
				Nominal Dollars	2020 Dollars
1	2018	Camp Fire	Butte	\$ 10,000	\$ 10,380
2	2017	Tubbs Fire	Sonoma/Napa/Lake	\$ 8,700	\$ 9,230
3	2018	Woolsey Fire	Los Angeles/Ventura	\$ 4,200	\$ 4,360
4	1991	Oakland Hills Fire	Alameda	\$ 1,700	\$ 3,240
5	2017	Atlas Fire	Napa	\$ 3,000	\$ 3,180
6	2020	Glass Fire	Napa/Sonoma	\$ 2,900	\$ 2,900
7	2020	CZU Lightning Complex Fire	San Mateo/Santa Cruz	\$ 2,430	\$ 2,430
8	2017	Thomas Fire	Ventura/Santa Barbara	\$ 2,250	\$ 2,390
9	2007	Witch Creek Fire	San Diego	\$ 1,600	\$ 2,000
10	2020	LNU Lightning Complex Fire	Lake/Napa	\$ 1,980	\$ 1,980

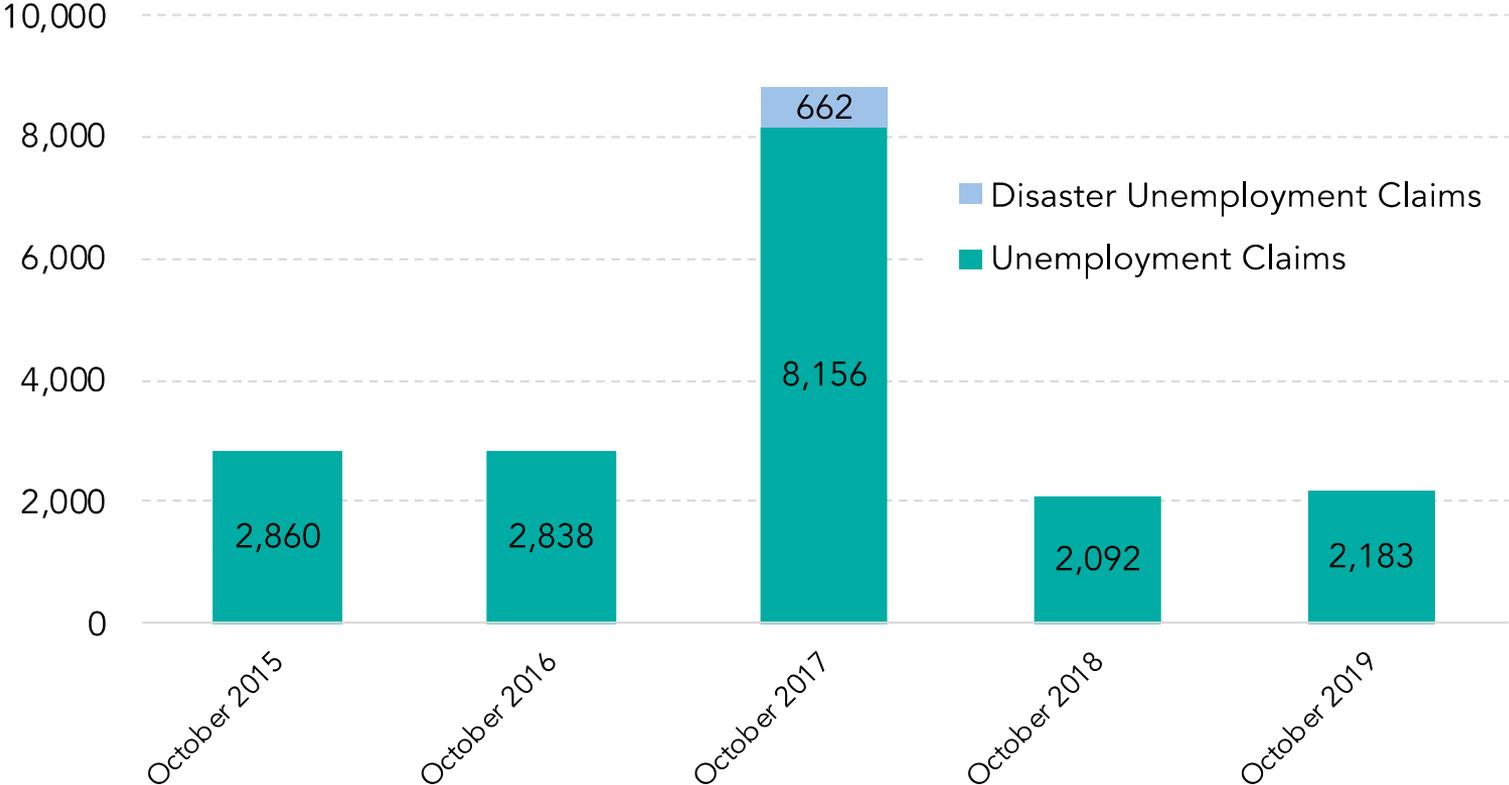
Note: Adjusted for inflation by Aon using the Consumer Price Index.

Source: Aon

Economic Losses are Growing: and Tax Effects Need to be Counted

Employment

Unemployment Claims in Sonoma & Napa Counties

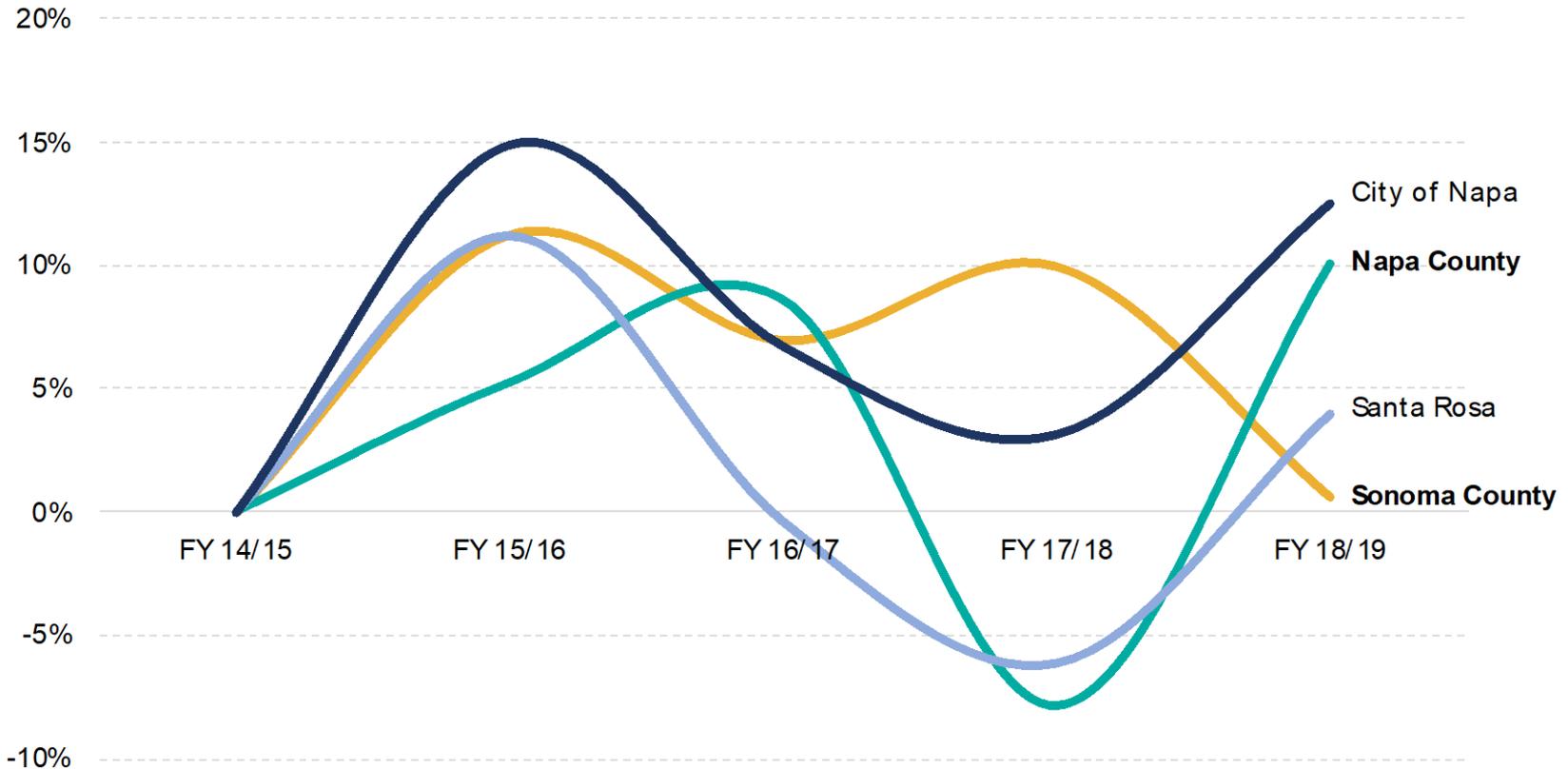


Note: Disaster claims from FEMA disaster DR-4344
Data: California Employment Development Department; United States Department of Labor
Analysis: Bay Area Council Economic Institute

Economic Losses are Growing: and Tax Effects Need to be Counted

Employment

Year-over-Year Percentage Change in Hotel Tax Revenue



Note: Data points have been adjusted to allow for annual comparisons after hotel tax rate changes in Sonoma County (2017) and the City of Napa (2019).

Data: Sonoma County, Napa County, City of Santa Rosa, and City of Napa Comprehensive Annual Financial Reports

Analysis: Bay Area Council Economic Institute

Economic Losses are Growing: Population Decline

Long-term

Sonoma County Population by City, 2015-2021

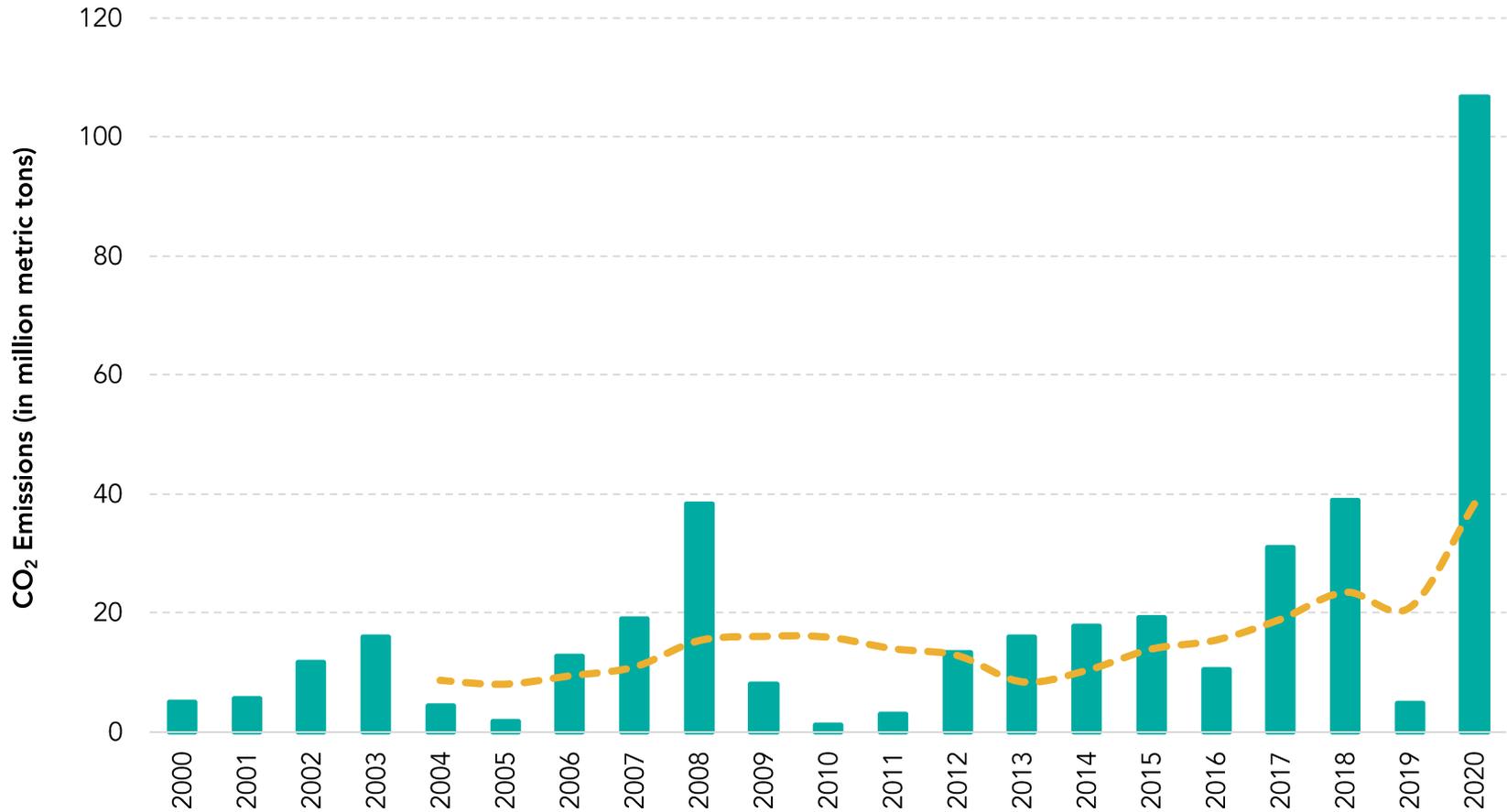
City	2015	2016	2017	2018	2019	2020	2021
Cloverdale	8,889	8,925	9,007	9,177	9,244	9,172	9,133
Cotati	7,369	7,370	7,368	7,498	7,619	7,505	7,429
Healdsburg	11,648	11,649	11,653	11,843	12,011	11,901	11,800
Petaluma	60,451	60,901	61,170	62,356	62,112	61,738	61,104
Rohnert Park	41,479	41,568	41,574	42,699	42,650	42,531	42,484
Santa Rosa	174,943	175,937	176,556	177,012	174,885	173,153	171,711
Sebastopol	7,624	7,648	7,650	7,795	7,830	7,741	7,657
Sonoma	10,930	10,947	10,957	11,087	11,150	11,013	10,924
Windsor	27,772	27,866	27,904	28,455	28,512	28,140	27,855
Balance Of County	149,498	149,527	149,566	142,563	139,906	138,460	134,110
County Total	500,603	502,338	503,405	500,485	495,919	491,354	484,207

Data: January Estimates from California Department of Finance

Analysis: Bay Area Council Economic Institute

Carbon Emissions from Fires also Growing:

Wildfire-related CO₂ Emissions Estimates in California 2000-2020



Data: California Air Resources Board

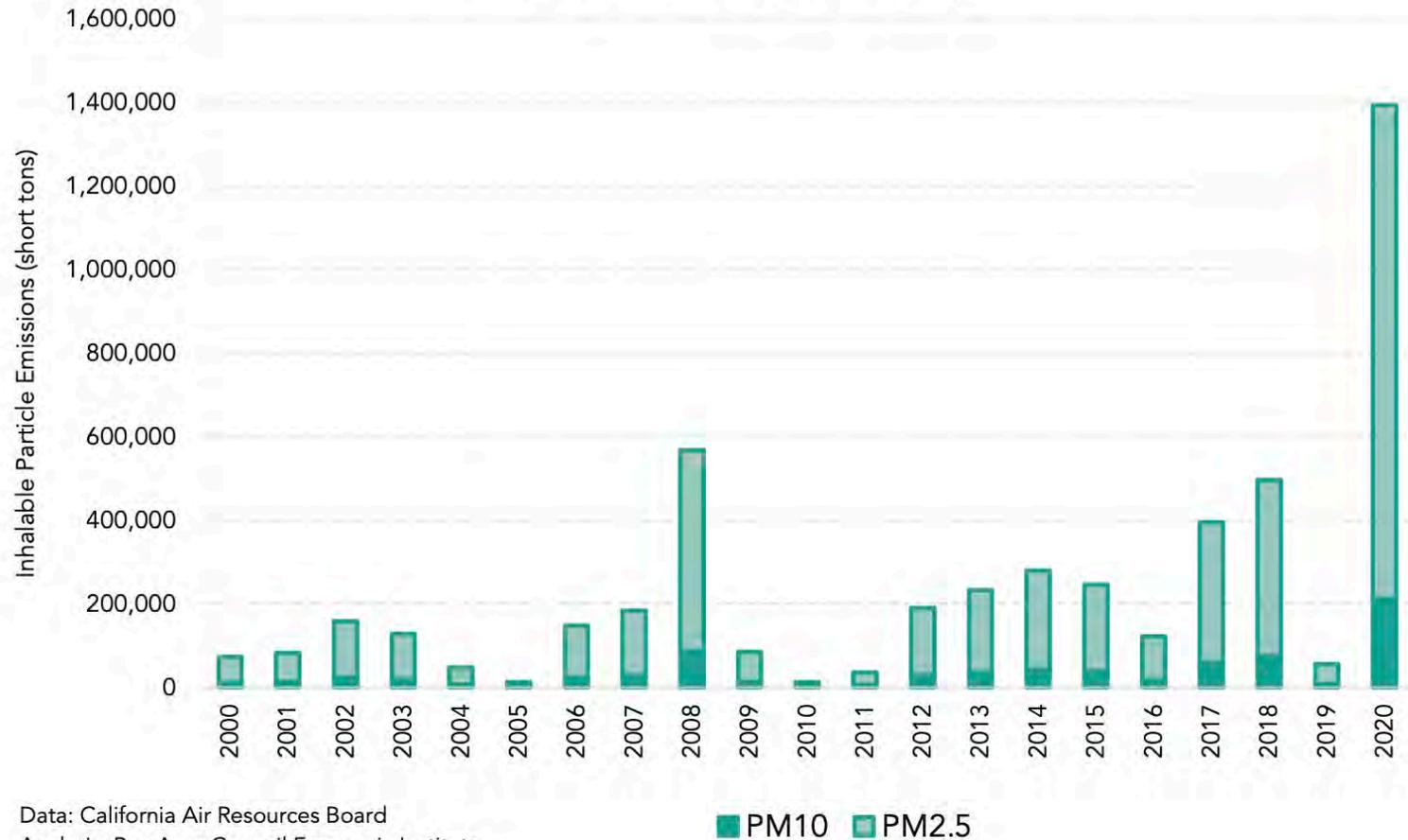
Analysis: Bay Area Council Economic Institute

CO₂ (million metric tons) 5-Year Average



As are impacts to air quality:

Annual Wildfire Emissions Estimates for Inhalable Particulate Matter in California (2000-2020)



Data: California Air Resources Board
Analysis: Bay Area Council Economic Institute

Wildfire Pollution Creates Health Costs

Health Costs of the 2018 Wildfires in the Bay Area

	\$ in millions	% of statewide total	\$ per person
Alameda	\$ 1,674.8	5%	\$ 1,001
Santa Clara	\$ 1,537.2	5%	\$ 779
Contra Costa	\$ 1,408.9	4%	\$ 1,218
Sonoma	\$ 900.3	3%	\$ 1,762
Solano	\$ 605.1	2%	\$ 1,360
San Francisco	\$ 603.5	2%	\$ 680
San Mateo	\$ 567.2	2%	\$ 726
Napa	\$ 280.3	1%	\$ 1,952
Marin	\$ 270.7	1%	\$ 1,020
Bay Area	\$ 7,847.9	24%	-

Data: Wang, Daoping, Et. Al. "Economic footprint of California wildfires in 2018," Nature Sustainability, December 2020,

Retrieved from: <https://www.nature.com/articles/s41893-020-00646-7>

Analysis: Bay Area Council Economic Institute

Recommendation #1 – PREVENT

Invest in Forest Health Projects at Scale

*Mobilize a regional
coalition and create
forest investment
plans at the “fire
shed” level*

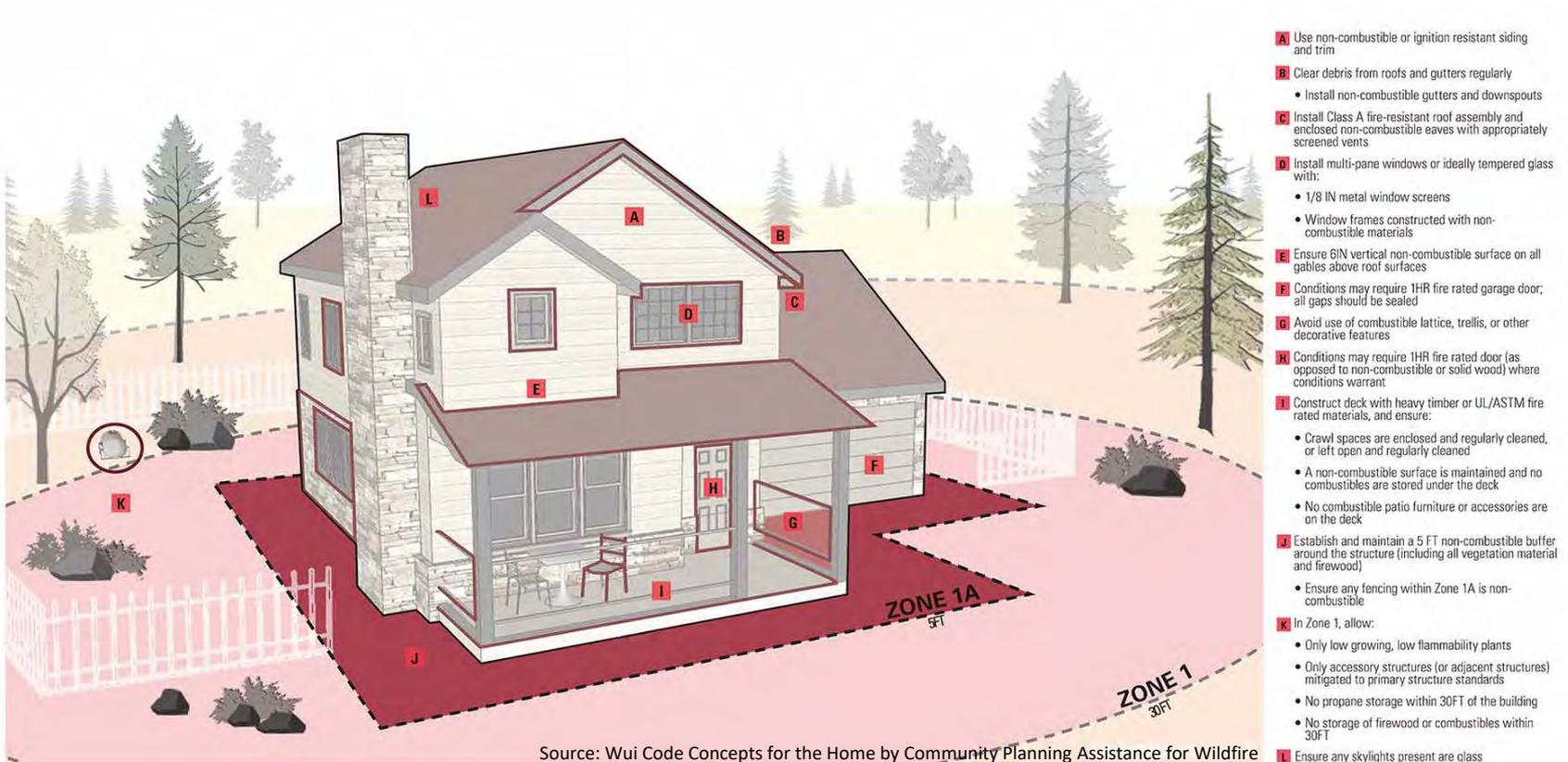


Source: Ken Meinhart, USFWS

Recommendation #2 – PROTECT

Strengthen Wildfire Preparedness

Provide incentives for home hardening investments



Source: Wui Code Concepts for the Home by Community Planning Assistance for Wildfire

Recommendation #3 – INNOVATE

New Models for Forest Management and Wildfire Recovery

Explore the feasibility of creating a sustainable wood products market in CA



Source: Bejac Corporation

Recommendation #4 – TRANSFORM

Address Land Use as a Key Contributor to Wildfire-related Damages

Stricter building codes and/or higher parcel taxes for homes built in WUI



Source: Beth Schlanker, Press Democrat

Patrick Kallerman

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@bayareaeconomy





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AGENDA: 6

Fourth Quarter Financial Report Fiscal Year Ending (FYE) 2021

**Administration Committee Meeting
December 1, 2021**

**Stephanie Osaze
Finance Director
sosaze@baaqmd.gov**

Presentation Outcome



Provide a General Fund financial summary for the fourth quarter ending June 30, 2021

Presentation Outline



General Fund Reporting on 4th Quarter financial results (July 1, 2020 – June 30, 2021):

- Revenues
- Expenditures
- Investments
- General Fund Balance and Outstanding Liabilities
- Purchasing Report

Presentation Requested Action



To receive and file the Fourth Quarterly financial summary report

4th Quarter Results FYE 2021



Major Categories	FYE 2021 Budget	FYE 2021 Actual (as of 06/30/2021)	Percentage of Budgeted Revenues
County receipts	\$38,770,162	\$39,778,798	103%
Permit Fees	\$33,544,227	\$40,368,495	120%
Title V Permit Fees	\$5,085,389	\$6,210,781	122%
Asbestos Fees	\$1,625,000	\$3,587,447	221%
Toxic Inventory Fees	\$628,357	\$1,995,672	318%
Community Health Impact	\$1,000,000	\$750,623	75%
Penalties and Settlements	\$1,500,000	\$4,264,158	284%
Interest Revenue	\$832,711	\$827,785	99%
Total Revenues	\$82,985,846	\$97,783,760	118%

Revenue Comparison



Prior Year vs. Current Year

Major Categories	FYE 2020 (As of 06/30/2020)	FYE 2021 (As of 06/30/2021)	\$ DIFFERENCE
County receipts	\$37,558,118	\$39,778,798	\$2,220,680
Permit Fee receipts	\$39,725,516	\$40,368,495	\$642,979
Title V Permit Fees	\$5,771,882	\$6,210,781	\$438,900
Asbestos Fees	\$3,601,111	\$3,587,447	(\$13,663)
Toxic Inventory Fees	\$1,236,573	\$1,995,672	\$759,099
Community Health Impact	\$0	\$750,623	\$750,623
Penalties and Settlements	\$1,047,451	\$4,264,158	\$3,216,707
Interest Revenue	\$712,829	\$827,785	\$114,956
TOTAL REVENUES	\$89,653,479	\$97,783,760	\$8,130,281

4th Quarter Results FYE 2021

General Fund - Expenditures



Major Categories	FYE 2021 Budget	FYE 2021 Actual (as of 06/30/2021)	Percentage of Budgeted Expenditures
* Personnel - Salaries	\$51,996,467	\$51,515,900	99%
* Personnel - Benefits	\$29,218,109	\$26,992,260	92%
Operational Services and Supplies	\$27,243,515	\$24,565,654	90%
Capital Outlay	\$4,236,448	\$4,039,697	95%
Total Expenditures	\$112,694,539	\$107,113,512	95%

*** Consolidated (Includes Special Funds)**

Expenditure Comparison

Prior Year vs. Current Year



Major Categories	FYE 2020 (As of 06/30/2020)	FYE 2021 (As of 06/30/2021)	\$ DIFFERENCE
*Personnel - Salaries	\$47,266,818	\$51,515,900	\$4,249,082
*Personnel - Benefits	\$20,996,053	\$26,992,260	\$5,996,208
Operational Services and Supplies	\$31,700,489	\$24,565,654	(\$7,134,835)
Capital Outlay	\$6,645,716	\$4,039,697	(\$2,606,019)
TOTAL EXPENDITURES	\$106,609,075	\$107,113,512	\$504,436

***Consolidated includes Special Funds**

4th Quarter Results FYE 2021

Investments



Cash and Investments with County Treasury:

(Based on June 2021 Account Balance)

General Fund	\$84,042,994
TFCA	\$119,332,833
MSIF	\$48,518,058
Carl Moyer	\$74,573,104
CA Goods Movement	\$21,186,646
AQ Projects	\$1,609,109
Vehicles Mitigation	\$7,615,319
TOTAL	<u>\$356,878,064</u>

Fund Balance and Outstanding Liabilities



FUND BALANCES	6/30/2019 Audited	6/30/2020 Audited	6/30/2021 Projected
DESIGNATED: *			
Economic Contingency	19,084,769	20,082,966	21,294,922
Napa/Sonoma Fireplace Replacement Grant	1,000,000	0	0
Pension & Post Employment Liability	2,000,000	3,000,000	3,000,000
Technology Implementation Office	0	3,350,000	3,350,000
Woodsmoke Grant	1,000,000	1,000,000	1,000,000
TOTAL DESIGNATED	\$23,084,769	\$27,432,966	\$28,644,922
UNDESIGNATED	22,332,894	26,401,581	20,029,943
TOTAL UNDESIGNATED	\$22,332,894	\$26,401,581	\$20,029,943
TOTAL DESIGNATED & UNDESIGNATED	45,417,663	53,834,547	48,674,865
BUILDING PROCEEDS:	209,489	0	0
TOTAL FUND BALANCE	\$45,627,152	\$53,834,547	\$48,674,865
* Designated Fund Balances are subject to change at Board's discretion.			
OUTSTANDING LIABILITIES			
CalPERS Pension Retirement			86,309,901
Other Post Employment Benefits			18,368,386
Certificate of Participation Notes			21,556,670
TOTAL OUTSTANDING LIABILITIES			\$126,234,957

Purchasing Reporting Requirements



- **Section 4.3 of the Purchasing Procedures states:**
Recurring payments of routine business needs, such as utilities, licenses, office supplies, etc., that are more than **\$100,000** shall be presented in the Quarterly Financial Report.
- In an effort of full disclosure, list also includes benefit payments.



FYE 2021 Vendor Payments

Cumulative Vendor Payments in Excess of \$100,000 without Board Review

	VENDOR NAME	AMOUNT PAID (July 2020 - June 2021)	Explanation
1	Accountemps	\$188,771	Temporary Staffing Services
2	Acterra	\$154,030	Public Outreach & Other Services
3	Alliant Insurance Services	\$663,482	Various Business Insurance Policies
4	Bay Area Headquarters Authority	\$2,387,009	Shared Services & Common Areas
5	Benefits Coordinators Corp.	\$1,132,089	Life Insurance Plan & LTD Insurance
6	CA Public Employee Retirement System	\$8,433,518	Health Insurance Plan
7	CA Public Employee Retirement System	\$14,132,183	Retirement Benefits & 457 Supplemental Plan
8	CA Vision Service Plan	\$107,192	Vision Insurance Plan
9	CAPCOA	\$653,718	Pass through EPA grants
10	CDW Government	\$207,936	Computer equipment
11	Ceridian	\$161,872	Payroll Processing Services
12	Comcast Cable Communications	\$181,404	Ethernet Services
13	Cubic Transportation Systems	\$490,970	Clipper Transit Subsidy
14	Denovo Ventures LLC.	\$182,084	Financial system hosting & support services
15	Enterprise Fleet Services	\$654,451	Fleet Leasing and Maintenance services



FYE 2021 Vendor Payments

Cumulative Vendor Payments in Excess of \$100,000 without Board Review

	VENDOR NAME	AMOUNT PAID (July 2020 - June 2021)	Explanation
16	EPlus Technology	\$270,751	Cisco computer network equipment warranty
17	Farella Bruan + Martell LLP	\$416,464	Legal consulting services
18	Flir Systems, Inc.	\$111,751	Optical gas imaging camera for inspections/investigations
19	Hartford Life Ins Co.	\$613,038	457 Supplemental Insurance
20	Metropolitan Transportation Authority	\$326,266	Bay Area Regional Collaborative Staffing Support
21	P&A Administrative Services	\$268,760	Flexible Spending & Cobra Benefit Services
22	Preferred Benefit Insurance	\$807,763	Dental Insurance Plan
23	Pacific Gas & Electric	\$203,698	Utility services
24	Sedwick Claims Management Services	\$124,964	Worker's Compensation Insurance Services
25	Sloan Sakai Yeung & Wong LLP	\$184,298	Human Resources Consulting Services
26	Wang Brothers Investment LLC	\$558,441	Richmond Site Lease
27	Verizon Wireless	\$245,963	Cell phone services
28	Wright Express Universal	\$114,603	Fuel for fleet

Feedback Requested/Prompt



- No action needed



BAY AREA
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MANAGEMENT
DISTRICT

AGENDA: 7

First Quarter Financial Report Fiscal Year Ending (FYE) 2022

**Administration Committee Meeting
December 1, 2021**

**Stephanie Osaze
Finance Director
sosaze@baaqmd.gov**

Presentation Outcome



Provide a General Fund financial summary for the first quarter ending September 30, 2021

Presentation Outline



General Fund Reporting on 1st Quarter financial results (July 1, 2021 – September 30, 2021):

- Revenues
- Expenditures
- Investments
- General Fund Balance and Outstanding Liabilities
- Purchasing Report

Presentation Requested Action



To receive and file the First Quarter financial summary report

1st Quarter Results FYE 2022



Major Categories	FYE 2022 Budget	FYE 2022 Actual (as of 09/30/2021)	Percentage of Budgeted Revenues
County receipts	\$39,335,284	\$285,283	1%
Permit Fees	\$39,724,621	\$11,524,272	29%
Title V Permit Fees	\$6,261,936	\$1,252,982	20%
Asbestos Fees	\$4,000,000	\$1,040,021	26%
Toxic Inventory Fees	\$731,737	\$190,575	26%
Community Health Impact	\$918,891	\$166,909	18%
Criteria Pollutant Toxic	\$1,000,000	\$270,293	27%
Penalties and Settlements	\$1,300,000	\$353,855	27%
Interest Revenue	\$1,609,848	\$192,877	12%
Total Revenues	\$94,882,317	\$15,277,067	16%

Revenue Comparison



Prior Year vs. Current Year

Major Categories	FYE 2021 (As of 09/30/2020)	FYE 2022 (As of 09/30/2021)	\$ DIFFERENCE
County receipts	\$951,725	\$285,283	(\$666,442)
Permit Fee	\$12,242,317	\$11,524,272	(\$718,044)
Title V Permit Fees	\$1,288,868	\$1,252,982	(\$35,886)
Asbestos Fees	\$1,193,413	\$1,040,021	(\$153,392)
Toxic Inventory Fees	\$204,382	\$190,575	(\$13,807)
Community Health Impact	\$0	\$166,909	\$166,909
Criteria Pollutant Toxic	\$0	\$270,293	\$270,293
Penalties and Settlements	\$311,091	\$353,855	\$42,764
Interest Revenue	\$308,512	\$192,877	(\$115,635)
TOTAL REVENUES	\$16,500,307	\$15,277,067	(\$1,223,240)

1st Quarter Results FYE 2022



General Fund - Expenditures

Major Categories	FYE 2022 Budget	FYE 2022 Actual (as of 09/30/2021)	Percentage of Budgeted Expenditures
* Personnel - Salaries	\$57,332,113	\$10,811,701	19%
* Personnel - Benefits	\$28,364,947	\$11,531,583	41%
Operational Services and Supplies	\$32,092,559	\$3,763,973	12%
Capital Outlay	\$5,187,458	\$650,851	13%
Total Expenditures	\$122,977,077	\$26,758,108	22%

* Consolidated (Includes Special Funds)

Expenditure Comparison



Prior Year vs. Current Year

Major Categories	FYE 2021 (As of 09/30/2020)	FYE 2022 (As of 09/30/2021)	\$ DIFFERENCE
*Personnel - Salaries	\$10,094,070	\$10,811,701	\$717,631
*Personnel - Benefits	\$10,468,386	\$11,531,583	\$1,063,197
Operational Services and Supplies	\$3,730,698	\$3,763,973	\$33,276
Capital Outlay	\$956,204	\$650,851	(\$305,353)
TOTAL EXPENDITURES	\$25,249,357	\$26,758,108	\$1,508,751

***Consolidated includes Special Funds**

1st Quarter Results FYE 2022



Investments

Cash and Investments with County Treasury:

(Based on Sept 2021 Account Balance)

General Fund	\$77,533,047
TFCA	\$123,064,145
MSIF	\$51,202,639
Carl Moyer	\$69,711,310
CA Goods Movement	\$21,238,479
AQ Projects	\$1,613,118
Vehicles Mitigation	\$6,670,879
TOTAL	<u>\$351,033,617</u>

Fund Balance and Outstanding Liabilities



FUND BALANCES	6/30/2020 Audited	6/30/2021 Projected	6/30/2022 Projected
DESIGNATED: *			
Community Benefits			3,000,000
Economic Contingency	20,082,966	21,294,922	23,303,025
Pension Liability	3,000,000	3,000,000	3,000,000
Technology Implementation Office	3,350,000	3,350,000	3,350,000
Wildfire Mitigation	1,000,000	1,000,000	2,000,000
AB617 Staffing Contingency			6,000,000
Pandemic Contingency			7,000,000
TOTAL DESIGNATED	\$27,432,966	\$28,644,922	\$47,653,025
UNDESIGNATED	26,401,581	20,029,943	521,840
TOTAL DESIGNATED & UNDESIGNATED	\$53,834,547	\$48,674,865	\$48,174,865
TOTAL FUND BALANCE	\$53,834,547	\$48,674,865	\$48,174,865
* Designated Fund Balances are subject to change at Board's discretion.			
ESTIMATED OUTSTANDING LIABILITIES			
CalPERS Pension Retirement			86,309,901
Other Post Employment Benefits			18,368,386
Certificate of Participation Notes			21,556,670
TOTAL ESTIMATED OUTSTANDING LIABILITIES			\$126,234,957

Purchasing Reporting Requirements



- **Section 4.3 of the Purchasing Procedures states:**
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FYE 2022 Vendor Payments



Cumulative Vendor Payments in Excess of \$100,000 without Board Review

	VENDOR NAME	AMOUNT PAID (July 2021 - Sept 2021)	Explanation
1	Alliant Insurance Services	\$129,152	Various Business Insurance Policies
2	Benefits Coordinators Corp.	\$278,310	Life Insurance Plan & LTD Insurance
3	CA Public Employee Retirement System	\$2,873,281	Health Insurance Plan
4	CA Public Employee Retirement System	\$1,644,916	Retirement Benefits & 457 Supplemental Plan
5	Cubic Transportation Systems	\$120,515	Clipper Transit Subsidy
6	Enterprise Fleet Services	\$158,481	Fleet Leasing and Maintenance services
7	Preferred Benefit Insurance AD	\$129,241	Dental Insurance Plan
8	Wang Brothers Investment LLC	\$128,218	Richmond Site Lease

Feedback Requested/Prompt



- No action needed