

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

Finance and Administration Committee Meeting
Wednesday, December 18, 2024

APPROVED MINUTES

This meeting was webcast, and a video recording is available on the website of the Bay Area Air Quality Management District at www.baaqmd.gov/bodagendas

CALL TO ORDER

1. **Opening Comments:** Finance and Administration Committee (Committee) Chairperson, Davina Hurt, called the meeting to order at 10:04 a.m.

Roll Call:

Present, In-Person (Bay Area Metro Center, 375 Beale Street, 1st Floor Board Room, San Francisco, CA, 94105): Chairperson Davina Hurt, and Directors Tyrone Jue and Mark Ross.

Present, In-Person (Office of Alameda County Supervisor David Haubert, 4501 Pleasanton Avenue, Pleasanton, CA, 94566) Director David Haubert.

Present, In-Person (San Mateo County Board of Supervisors Offices, 500 County Center - 5th Floor, Redwood City, CA, 94063): Director Ray Mueller.

Present, In-Person (San Leandro City Hall, 835 E. 14th Street 2nd Floor, San Leandro, CA 94577): Director Juan González III.

Present, In-Person (Santa Rosa Junior College Campus, Doyle Library, Room 148, 1501 Mendocino Ave., Santa Rosa, CA, 95401): Vice Chair Lynda Hopkins.

Absent: Directors Margret Abe-Koga and Katie Rice.

2. **PLEDGE OF ALLEGIANCE,**

CONSENT CALENDAR

3. **APPROVAL OF THE DRAFT MINUTES OF THE FINANCE AND ADMINISTRATION COMMITTEE MEETING OF NOVEMBER 6, 2024**

Public Comments

No requests received.

Committee Comments

None.

Committee Action

Director Haubert made a motion, seconded by Director Jue, to approve the Draft Minutes of the Finance and Administration Committee Meeting of November 6, 2024; and the motion carried by the following vote of the Committee:

AYES: Gonzalez, Haubert, Hurt, Jue, Mueller, Ross.
NOES: None.
ABSTAIN: Hopkins.
ABSENT: Abe-Koga, Rice.

ACTION ITEM

4. UPDATE ON THE AIR DISTRICT'S INFORMATION SERVICES PROGRAMS AND RECOMMENDATION OF PROPOSED SOFTWARE DEVELOPMENT AND MAINTENANCE CONTRACTS

Patricia Roman, Director of Software Development, and John Chiladakis, Chief Technology Officer gave the presentation *Update on the Air District's Information Services – Programs and Recommendation of Proposed Software Development and Maintenance Contracts*, including: outline; overview of Air District Information Technology (IT) functions; Fiscal Year (FY) 2025 Budget; overview of Air District Information System functions — governance; recent Board actions: modernization and consolidation; Air District Strategic Plan guides IT development; six-month progress report on software development; strategic deliverables for this authorization; vendor qualification; funding and budget impact; and funding request.

Public Comments

No requests received.

Committee Comments

The Committee and staff discussed whether the contract length may deviate from 18 months; whether any of the vendors deemed qualified have been contracted with the Air District previously; hopes that vendors that are being proposed for the first time will not repeat poor performances of past contractors; the manner in which the Air District is prioritizing deliverables within the next six months; the process by which the Air District solicits feedback from the stakeholders who use the Air District's dashboard interface; whether the Air District is considering how to utilize artificial intelligence in its IT tools, and whether any of the qualified vendors have expertise in that area; whether Air District Permit applicants can track the real-time status of their application; a request that the Board

receives a report of the current status of permit applications; concerns about the cost of the Air District's website; a request for an update on data security assessment (cybersecurity); and appreciation for the process that has been made.

Committee Action

Director Ross made a motion, seconded by Director Jue, to recommend the Board of Directors approves contracts for software development and maintenance services with qualified fulfillment partners, ClearSparc, DVBE, and Oshyn, over a term of 18 months for a total combined not-to-exceed amount of \$4.371 Million; and the motion carried by the following vote of the Committee:

AYES: Gonzalez, Haubert, Hopkins, Hurt, Jue, Mueller, Ross.
NOES: None.
ABSTAIN: None.
ABSENT: Abe-Koga, Rice.

INFORMATIONAL ITEMS

5. PERFORMANCE EVALUATION SYSTEM

Chris Atkinson, Principal Consultant with CPS-HR Consulting, gave the presentation *Performance Evaluation: Process, Evaluation, Design, and Development, December 2024* including: agenda; create and implement a performance evaluation process that facilitates high performance and encourages employee growth and development; methodology of data collection; findings; areas for improvement addressed in the new performance evaluation system; performance evaluation process overview; evaluation-linking performance to the Air District's Strategic Plan; executive core qualifications (ECQ) and employee performance factors; key training concepts; and next steps.

Public Comments

No requests received.

Committee Comments

The Committee and staff discussed the difference between ECQ and regular employee performance; what prompts the need for a Performance Improvement Plan (PIP); the amount of disciplinary context that the PIP model involves, and the hope that the PIP model includes more constructive, assertive feedback with a goal of hope and improvement (rather than fear of termination); whether a PIP should be developed simultaneously with an annual performance evaluation; the concern that quarterly check-in meetings between staff and their supervisors may be too frequent and result in unintended consequences; whether stakeholders input is sought and included in staff evaluations; how well the 38 focus groups participants (all employees) reflected the diversity of staff the Air District; a desire for employee trainings regarding unconscious bias and inclusivity, and an emphasis on Diversity, Equity, and Inclusion engrained in all operations at the Air District; concern that "communication" is not included as an ECQ; how the hybrid work setting is considered when the goal is to conduct honest and thorough interviews (especially for female staff); the belief

that evaluation performance feedback should be given in person (not via teleconferencing); the suggestion of using “executive, managerial, and individual contributor” definitions; the concern that disconnect, employee frustration, and litigation can occur if the supervisors conducting the interviews are not doing it correctly; and the request for a review of diversity at the Air District at the executive level.

Committee Action

No action taken.

6. **COST RECOVERY STRATEGY FOR AMENDMENTS TO REGULATION 3: FEES FOR FISCAL YEAR (FY) 2026**

Fred Tanaka, Engineering Manager, and Leonid Bak, Senior Advanced Projects Advisor, gave the staff presentation *Cost Recovery Strategy for Amendments to Regulation 3: Fees for Fiscal Year 2026*, including: outcome; outline; cost recovery background; cost recovery background: fee schedules and percent of fee schedule revenue; economic update and forecast; cost recovery trends by Fee Schedule; cost recovery trends (examples by Fee Schedule); cost recovery strategies: historical and options; other related considerations; and next steps: budget and rule development schedule.

Public Comments

No requests received.

Committee Comments

The Committee and staff discussed the request for more transparent data showing fee increases each year (and are they beyond inflation), and how the Air District's fee increases compare with those of other air districts in California of comparable size; the request that staff considers socioeconomic impacts to stakeholders when proposing fee increases; whether the proposed fee increases are incremental versus fully-burdened costs in recovery; the consideration of an optional fee for a complex project facilitator for permitting; the Air District's definition of “small business,” and the desire for the input of the Air District's Community Advisory Council on impacts on small permitted businesses; whether addressing the issue of the permit backlog (bringing in additional resources to help with the backlog) is increasing the cost of future permits; and whether the Air District would reduce fee increases for facilities that are closer to 100% cost recovery, while increasing fees for facilities that are farther from 100% cost recovery.

Committee Action

While no official action was taken, the consensus of the Committee members present was to support Cost Recovery Strategy Option #1 (implemented since FYE 2024) for FYE 2026: fee. If the revenue from a fee schedule is 100% or more and less than 110% of costs, the fees in the schedule will be increased by the annual Consumer Price Index for Bay Area Urban Wage Earners and Clerical Workers (CPI-W). If the revenue from a fee schedule is less than 100% of costs, the fees in the schedule will be increased by 15%.

OTHER BUSINESS

7. PUBLIC COMMENT ON NON-AGENDA MATTERS

No requests received.

8. COMMITTEE MEMBER COMMENTS

Director Ross thanked the Committee and Air District staff, as he would be retiring from public office at the end of December 2024, and this was his last Finance and Administration Committee meeting.

Chair Hurt announced that on December 18, 2024, the U.S. Environmental Protection Agency granted waivers to implement and enforce CARB's Advanced Clean Cars II regulations for light-duty vehicles, and its "Omnibus" low-NOx regulation for heavy-duty highway and off-road vehicles and engines.

9. TIME AND PLACE OF NEXT MEETING

Wednesday, February 26, 2025, at 1:00 p.m. at 375 Beale Street, San Francisco, CA 94105. The meeting will be in-person for the Finance and Administration Committee members and members of the public will be able to either join in-person or via webcast.

10. ADJOURNMENT

The meeting was adjourned at 12:18 p.m.

/s/ Marcy Hiratzka
Marcy Hiratzka
Clerk of the Boards