

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

Finance and Administration Committee Meeting
Wednesday, March 19, 2025

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, Lynda Hopkins, called the meeting to order at 1:18 p.m.

Roll Call:

Present, In-Person (Bay Area Metro Center (375 Beale Street, 1st Floor Board Room, San Francisco, California, 94105): Chairperson Lynda Hopkins; Vice Chairperson Tyrone Jue; and Directors Juan González III, Sergio Lopez, and Vicki Veenker.

Absent: Directors Noelia Corzo and David Haubert.

2. **PLEDGE OF ALLEGIANCE**

CONSENT CALENDAR (ITEMS 3 – 4)

3. **APPROVAL OF THE DRAFT MINUTES OF THE FINANCE AND ADMINISTRATION SPECIAL COMMITTEE MEETING OF FEBRUARY 26, 2025**

The Committee considered approving the Draft Minutes of the Finance and Administration Special Committee Meeting of February 26, 2025.

4. **AUTHORIZATION TO AMEND THE MASTER SERVICES AGREEMENT WITH KBM-HOGUE FOR WORKPLACE FURNITURE DESIGN, PROCUREMENT, AND INSTALLATION SERVICES AT THE AIR DISTRICT'S BEALE STREET HEADQUARTERS**

The Committee considered authorizing the Executive Director/Air Pollution Control Officer (APCO) to amend the Air District's Master Services Agreement with KBM-Hogue to increase the total not-to-exceed amount of the agreement by \$750,000, from \$95,837.25 to \$845,837.25, and to extend the term of the agreement through September 21, 2029, to provide

workplace furniture design, procurement, and installation services at Air District's Beale Street Headquarters.

Public Comments on Items 3 – 4

No requests received.

Committee Comments on Items 3 – 4

None.

Committee Action on Items 3 – 4

Director González made a motion, seconded by Vice Chair Jue, to **approve** the Consent Calendar, Items 3 through 4, inclusive; and the motion **carried** by the following vote of the Committee:

AYES: González, Hopkins, Jue, Lopez, Veenker.
NOES: None.
ABSTAIN: None.
ABSENT: Corzo, Haubert.

ACTION ITEMS

5. CONDUCT INTERVIEWS AND CONSIDER RECOMMENDING BOARD OF DIRECTORS APPROVAL OF CANDIDATES FOR APPOINTMENT TO THE AIR DISTRICT'S HEARING BOARD

Hyacinth Hinojosa, Deputy Executive Officer of Finance and Administration, and Joseph Huynh, Principal Human Resources Analyst, gave the staff presentation *Recommendation of Candidates for the Air District's Hearing Board*, including: background – Administrative Code; vacancies; recruitment; current Hearing Board members and terms; current Hearing Board members' attendance; suggestion for recommending candidates.

Mr. Hinojosa explained that the terms of four current Hearing Board members were to expire on April 6, 2025:

- Principal A Member in the Public category
- Principal Member in the Attorney category
- Alternate Member in the Attorney category
- Principal Member in the Medical category

For three of those seats, the current incumbents had applied to continue serving for an additional term. The fourth was not seeking re-appointment.

In addition, there was one vacant seat, the Alternate Member A seat in the Public category.

Accordingly, there were five positions in total to be filled – with three current incumbents who had applied to continue their service.

Air District staff conducted a robust recruitment process to fill these positions. Outreach and advertisement included listings on 12 job boards, with a focus on diversity, volunteering, medical professions, and attorney professions. The job posting remained open for six weeks, during which, nine applications were received.

Staff conferred with an Ad Hoc Committee of the Finance and Administration Committee to consider and obtain feedback on the process for considering these applications. After considering the input from the Ad Hoc Committee, staff suggested that the Finance and Administration Committee make a recommendation that the Board **reappoint** the three currently-serving Hearing Board members who wished to continue for another term after their current terms expire on April 6, 2025. These three currently-serving members were:

- Valerie J. Armento – Principal member (Attorney Category)
- Peter Y. Chiu – Principal member (Medical Category)
- Amelia Timbers – Principal member A (Public Category)

Staff further suggested that the Committee conduct interviews of all the applicants for the other two seats (alternate in Attorney category and alternate in Public category) to be filled, to make recommendations to the Board.

Public Comments

No requests received.

Committee Comments

Chair Hopkins explained that herself and fellow Board members, John Gioia and Vicki Veenker, formed an ad hoc committee to vet the three Hearing Board incumbents. The ad hoc committee's recommendation to the Committee was to reappoint the three incumbents without interviewing them. When Chair Hopkins asked the Committee if it was comfortable with the ad hoc committee's recommendation, the consensus of the Committee members present was to recommend that the Board reappoints the three Hearing Board member incumbents.

Regarding the two alternate Hearing Board positions that also needed to be filled, Chair Hopkins stated that, due to an interview scheduling error, candidate Jennifer Pierce could no longer attend the March 19, 2025 Committee meeting. Chair Hopkins asked the Committee if it wished to conduct interviews for the alternate positions of the four candidates who would be present on March 19, but wait to vote until Ms. Piece could be interviewed at Committee's April meeting. The consensus of the Committee members present was to conduct interviews today of the candidates that could be present on March 19, and wait to vote on both alternate positions until the Committee's April meeting.

The Committee then conducted interviews of four candidates who were applying for various vacant alternate seats on the Air District's Hearing Board. The candidates were asked the following questions by the Committee: What do you understand the Hearing Board's function

to be and how will you use your own lived experience to enhance the work of the Hearing Board; What makes you stand out as a candidate for the Hearing Board (please include anything you have done to help serve your community); why they became interested in this opportunity and how their accomplishments have strengthened their candidacy; whether things from their personal or professional backgrounds may conflict with serving on the Hearing Board; whether they has viewed or observed the Air District's Hearing Board meetings; and their availability to serve on the Hearing Board.

Chair Hopkins explained to each candidate that the Committee would not vote on the positions of Alternate member in the Public category, nor the Alternate member in the Attorney category, until the April meeting, as a fifth candidate was unable to accommodate the last-minute interview time change on March 19, 2025.

Committee Action

Director González made a motion, seconded by Director Veenker, to recommend the Board approve the re-appointments of the three incumbent Hearing Board members who were eligible for reappointment, were seeking re-appointment, and whose current Hearing Board terms expire on April 6, 2025:

- Amelia Timbers as Principal Member A in the Public category of the Hearing Board
- Valerie J. Armento as Principal Member in the Attorney category of the Hearing Board
- Peter Y. Chiu as Principal Member in the Medical category of the Hearing Board

The motion carried by the following vote of the Committee:

AYES: González, Hopkins, Jue, Lopez, Veenker.
NOES: None.
ABSTAIN: None.
ABSENT: Corzo, Haubert.

6. PROPOSED FISCAL YEAR (FY) 2025-2026 BUDGET AND FEE REGULATION AMENDMENTS

Mr. Hinojosa, Stephanie Osaze, Director of Finance, and Fred Tanaka, Manager in the Engineering Division, gave the staff presentation *Proposed FY 20205-2026 Budget and Fee Regulations Amendments*, including: outline; background; budget highlights; financial forecast; budget summary – ongoing investments and new investments; FY 2025-2026 All Funds Budget by revenue and expense type; FY 2025-2026 General Fund (GF) Budget by type; GF reserves trend; GF Reserve Policy overview; FY 2025-2026 GF reserve designations; medical retiree plan funding status/policy; pension plan funding status/policy; FY 2025-2026 budget by service area; service areas: Engineering and Compliance, Equity and Community Programs, Finance and Administration, General Counsel; Information Management; Public Affairs, Science and Policy; staffing overview intro slide; Assembly Bill (AB) 617 grant funding; AB 617 staffing requested; Community Benefit Fund; community benefit administrative funding and staffing; Community Air Protection (CAP) administrative funding; California Air Protection Admin overhead staffing; shifting from professional services to support staffing and efficiency; additional staffing request based on other cost savings;

facility-funded pilot; accessing designated reserves for Limited Term Contract Employees (LTCE) staffing; organizational efficiency add/delete positions; cost recovery background; cost recovery limitations; cost recovery background trends; cost recovery strategies; proposed fee regulation amendments; small business definition comparison; other changes; impact on large and small facilities; budget and fee regulation schedule; and recommended action.

Public Comments

Public comments were given by Bob Brown, Western States Petroleum Association; and Peter Okurowski, California Council for Environmental and Economic Balance.

Committee Comments

The Committee and staff discussed concerns about GF reserve designations; why the Air District's current funding level is not closer to 90% if there is so much in reserves; where staff would spend more funds, if the Board gave the direction to spend more; whether FTEs are fully-burdened; the difficulty in forecasting fee revenues and recovery out five years; the rationale for recommending updating the gross receipts limit be updated to \$1,500,000; the marsh management fee schedule, and whether that is different from prescribed burning; the proposed timeline for a permit application tracking system; the Air District's year-end savings policy and history over the last five years; best practices for unfunded pension liabilities; appreciation for integrating the budget and fees in a single document.

Committee Action

Director González made a motion, seconded by Director Veenker, to recommend the Board proceed with the public hearing on (FY) 2025-2026 Budget And Fee Regulation Amendments in May 2025 and adopt the FY 2025-2026 Proposed Budget and Fee Amendments, with the provision that the Finance and Administration Committee will revisit interest that the Air District is earning on its reserves, unfunded pension liability, and considerations of adjustments to the trust fund at its April meeting; and the motion carried by the following vote of the Committee:

AYES: González, Hopkins, Jue, Lopez, Veenker.
NOES: None.
ABSTAIN: None.
ABSENT: Corzo, Haubert.

OTHER BUSINESS

7. PUBLIC COMMENTS ON NON-AGENDA MATTERS

No requests received.

8. COMMITTEE MEMBER COMMENTS

None.

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

Wednesday, April 16, 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 3:47 p.m.

/s/ Marcy Hiratzka
Marcy Hiratzka
Clerk of the Boards