



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

AGENDA: 6

Second Quarter Financial Update Fiscal Year Ending (FYE) 2025

**Finance and Administration Committee
Meeting
February 26, 2025**

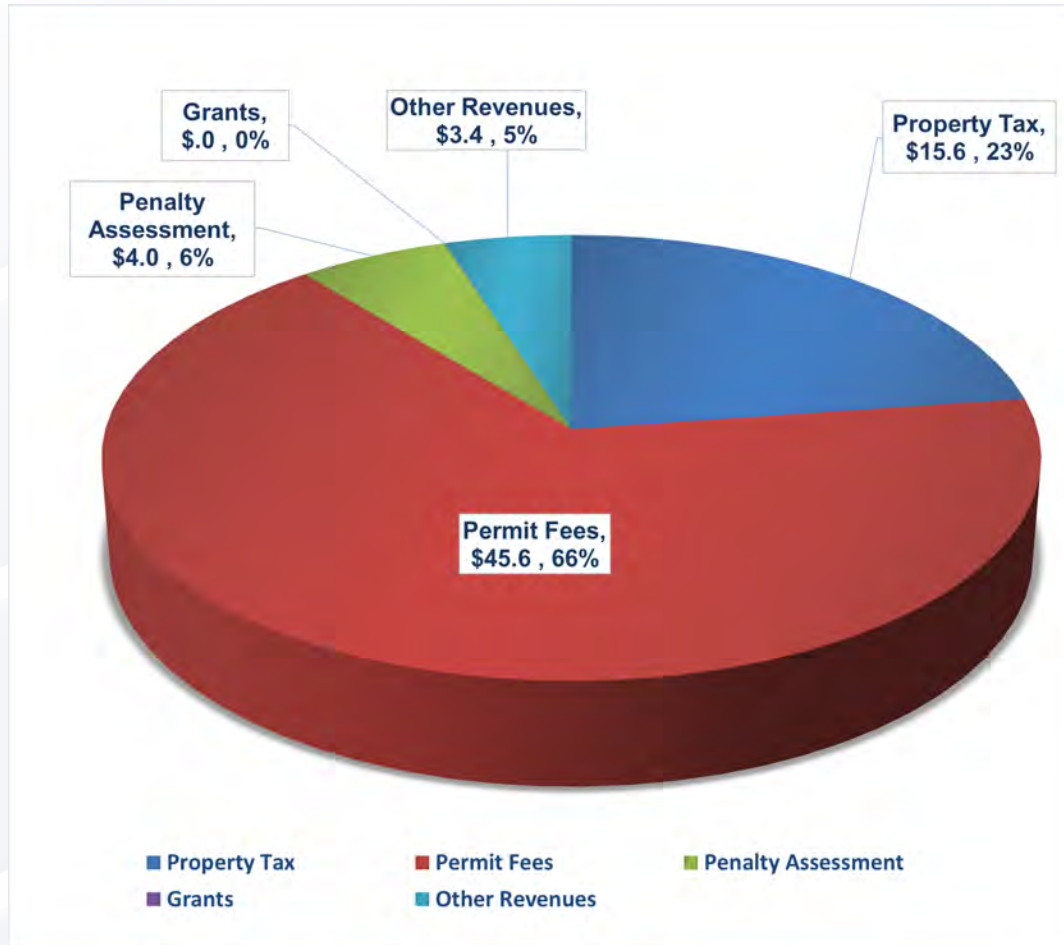
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Presentation Outline

Provide a financial update which covers the second quarter activities for the fiscal year ending June 30, 2025

- Revenues
- Expenditures
- Cash and Investment Summary

FYE 2025 General Fund Revenue Overview



FY 2025 Q2 (as of 12/31/2024) General Fund Revenues	in Millions	% of Total
Property Tax	\$15.6	23%
Permit Fees	\$45.6	66%
Penalty Assessment	\$4.0	6%
Grants	\$0.0	0%
Other Revenues	\$3.4	5%
Total	\$68.6	100%

General Fund Revenue – Budget vs Actual

(In Millions \$)

Categories	FYE 2025 Adopted Budget	FYE 2025 Amended Budget	FYE 2025 Actual (as of 12/31/2024)	Percentage of Amended Budget
Property Tax	\$46.3	\$46.3	\$15.6	34%
Permit Fees*	\$67.0	\$67.0	\$45.6	68%
Penalty Assessment	\$4.0	\$4.0	\$4.0	101%
Grants (includes AB617)	\$20.5	\$20.5	\$0.0	0%
Other Revenues	\$5.6	\$5.6	\$3.4	61%
Total Revenues	\$143.3	\$143.3	\$68.6	48%

- Property tax is at 34% this is normal due to timing of the revenues received
- Permit fees are consistent with the annual progress of the permit revenue
- Other revenues are greater due to higher interest income resulting from higher interest rates
- Grant revenues recognition occurs in the second half of the fiscal year

* Permit Fees				
Application & Renewal Fees	\$46.8	\$46.8	\$33.1	71%
Title V Permit Fees	\$8.1	\$8.1	\$4.8	60%
Asbestos Fees	\$3.7	\$3.7	\$1.7	47%
Toxic Inventory Fees	\$1.3	\$1.3	\$1.3	104%
Community Health Impact Fees	\$1.2	\$1.2	\$0.9	79%
Criteria Toxic Reporting Fees	\$1.7	\$1.7	\$1.1	65%
Greenhouse Gas Fees	\$3.9	\$3.9	\$2.3	59%
Other Fees	\$0.4	\$0.4	\$0.2	54%
Total Permit Fees	\$67.0	\$67.0	\$45.6	68%

General Fund Revenue Comparison

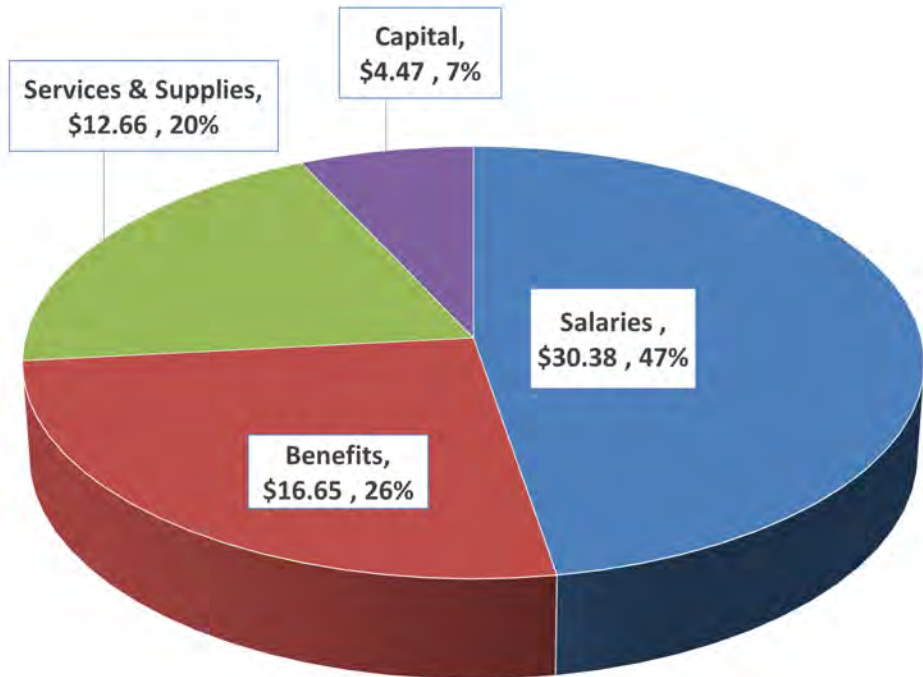
Prior Year vs. Current Year (In Millions \$)

Major Categories	FYE 2024 (As of 12/31/2023)	FYE 2025 (As of 12/31/2024)	\$ DIFFERENCE
Property Tax	\$14.4	\$15.6	\$1.3
Permit Fees*	\$43.7	\$45.6	\$1.8
Penalty Assessment	\$2.4	\$4.0	\$1.6
Grants (includes AB617)	\$.3	\$.0	(\$.3)
Other Revenues	\$1.9	\$3.4	\$1.5
Total Revenues	\$62.6	\$68.6	\$6.0

*Permit Fees	(As of 12/31/2023)	(As of 12/31/2024)	\$ DIFFERENCE
Application & Renewal Fees	\$31.4	\$33.1	\$1.8
Title V Permit Fees	\$4.6	\$4.8	\$.2
Asbestos Fees	\$1.7	\$1.7	\$.0
Toxic Inventory Fees	\$1.5	\$1.3	(\$.2)
Community Health Impact Fees	\$.8	\$.9	\$.1
Criteria Toxic Reporting Fees	\$1.0	\$1.1	\$.1
Greenhouse Gas Fees	\$2.5	\$2.3	(\$.2)
Other Fees	\$.2	\$.2	\$.1
Total Permit Fees	\$43.7	\$45.6	\$1.8

- Property tax increase as expected due to growth in tax assessment roll from prior year
- Permit fees increase consistent with fee rate increase
- \$4M Penalty assessment represents the General Fund portion only
- Other revenue represents increased interest income

FYE 2025 General Fund (GF) Expenditure Overview



■ Salaries ■ Benefits ■ Services & Supplies ■ Capital

FY 2025 Q2(as of 12/31/2024) General Fund Expenditures	in Millions	% of Total
Salaries	\$30.38	47%
Benefits	\$16.65	26%
Services & Supplies	\$12.66	20%
Capital	\$4.47	7%
Total	\$64.15	100%

General Fund Expenditure - Budget vs Actual

(In Millions \$)

Major Categories	FYE 2025 Adopted Budget	FYE 2025 Amended Budget	FYE 2025 Actual (as of 12/31/2024)	Percentage of Amended Budget
Personnel - Salaries	\$70.6	\$70.6	\$30.4	43%
Personnel - Benefits	\$33.0	\$33.0	\$16.6	50%
Operational Services and Supplies	\$43.5	\$57.8	\$12.7	22%
Capital Outlay	\$7.2	\$11.6	\$4.5	38%
TOTAL	\$154.3	\$173.0	\$64.2	37%

*Consolidated Personnel Salaries & Benefits				
Personnel - Salaries	\$76.5	\$76.5	\$32.9	43%
Personnel - Benefits	\$35.6	\$35.6	\$18.1	51%
Total	\$112.1	\$112.1	\$51.1	46%

*Consolidated includes both General Fund and Special Fund

- Amended Budget includes carryover of FYE 24 encumbrances as authorized by the approved budget resolution
- Salaries and benefits are tracking consistently with the budgeted projections for the quarter
- Actual Services/Supplies and Capital expenses are lower due to timing of payments for services rendered

Expenditures Comparison

Prior Year vs. Current Year (In Millions \$)

Major Categories	FYE 2024 (As of 12/31/2023)	FYE 2025 (As of 12/31/2024)	\$ DIFFERENCE
Personnel - Salaries	\$26.3	\$30.4	\$4.1
Personnel - Benefits	\$15.4	\$16.6	\$1.2
Operational Services and Supplies	\$12.9	\$12.7	(\$.3)
Capital Outlay	\$2.1	\$4.5	\$2.4
Total Expenditures	\$56.7	\$64.2	\$7.5

***Consolidated Personnel Salaries & Benefits**

Personnel - Salaries	\$28.8	\$32.9	\$4.2
Personnel - Benefits	\$16.4	\$18.1	\$1.7
Total Consolidated	\$45.1	\$51.1	\$5.9

*Consolidated includes both General Fund and Special Fund

- Salary expenses are higher in FYE 25, due to general wage adjustments and more filled positions
- Benefit expenses are higher in FYE 25 due to the higher insurance premiums and retirement costs
- Capital costs are higher in FYE 25 due to a combination of IT infrastructure and lab equipment purchases

Cash and Investment Summary

Cash and Investments with County Treasury:

(Based on Dec 2024 Account Balance)

(In Million \$)

General Fund	\$237.8
Transportation for Clean Air (TFCA)	\$158.4
Mobile Source Incentive Fund (MSIF)	\$83.5
Carl Moyer	\$127.9
CA Goods Movement	\$20.8
Air Quality Projects	\$1.6
Vehicles Mitigation	\$60.6
TOTAL	\$690.4

- Air District's \$690.4 million cash represents 7.7% of the \$8.9 Billion in the San Mateo County Investment Pool
- Dec 2024 Interest Rate is 3.741%
- The second quarter GF Interest is \$1.81M

Questions?



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AGENDA: 7

Proposed Facility Funded Engineering Program Manager Positions

**Finance and Administration Committee
February 26, 2025**

**Meredith Bauer
Deputy Executive Officer of Engineering and
Compliance**

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Presentation Outcome

- The Finance and Administration Committee will receive a presentation on the proposed creation of Engineering Program Manager (EPM) positions to manage complex permit applications.

Presentation Outline

- Background
- Overview of proposed Engineering Program Manager positions and approach to launch this program
- Strategic Plan alignment
- Role of Engineering Program Managers
- Benefits of Engineering Program Managers
- Next steps

Requested Action

- None; informational only.

Background

- Each year the Air District receives roughly 1000 new permit applications
- Routine Permits
 - Most new permit applications are for standard equipment with known operating parameters and emission factors
 - Examples: coating operations, boilers, back-up generators
- Complex Permits
 - Sources/projects that require additional information, analyses, coordination, research, and/or policy evaluation

Background: Complex Permit Applications

Causes

- Emission factors that are not: known, verified, repeatable, and/or applicable to specific source
- Non-standard operations or equipment (e.g., new technology, novel uses of existing technology, uncertain locations or times of use)
- A project that affects processes in upstream and/or downstream units
- A project that is subject to mid-permit changes
- Challenging compliance requirements
- Stakeholder interest (e.g., community concerns)

Common Facilities

- Refineries – petroleum and renewable fuel
- Public works such as POTWs, landfills, compost facilities
- Innovative technologies
- Large manufacturing facilities
- High-profile facilities, especially in EJ communities

Overview of Proposed EPM Positions and Approach

Need Engineering Division positions to:

- Work with applicants with complex permit applications prior to submittal
 - How will the California Environmental Quality Act (CEQA) compliance be handled? Upstream/downstream unit information? Source test for emission factor verification? Public notice?
 - Modification vs. alteration?
 - Is the siting and/or project designed to meet Air District regulations?
- Keep projects on a schedule
- Coordinate timely exchange of information
- Resolve roadblocks and elevate for management decision as needed

Approach

- Create two positions during a 3-year pilot phase through a funding agreement paid to the Air District by participating facilities
- After the initial pilot phase, the positions would be funded by a voluntary fee and could support additional Engineering Program Managers, as needed

Strategic Plan Alignment

Goal 4: Be Effective, Accountable, and Customer-service Oriented



- **Strategy 4.1 Timely Permits:** We will improve the timeliness of permit decisions.
- **Strategy 4.2 Transparent Permit Process:** We will improve our permitting process to be more transparent and accountable to applicants and the public.
- **Strategy 4.3 Consistent Permits:** We will ensure Air District regulations and associated air quality permits issued are clear, consistent, and enforceable so that air pollution affecting communities is minimized.

Role of Engineering Program Managers

Expected job duties of the EPMs include:

- Review projects prior to submittal and coordinate with facility to ensure all information and steps have been completed for issuance of permit
- Create timeline of permit application review, including required steps such as CEQA, source tests, public notice, etc.
- Track, document, and communicate permit application review status
- Interpret and communicate Air District requirements, as needed
- Coordinate cross-Divisional tasks to align with permit application review schedule
- Identify and resolve roadblocks, including elevating for policy decisions
- Set up and run effective meetings, both internal and external, to promote transparent and efficient permit application review and action
- Find creative and defensible solutions to atypical permit situations

Program Benefits

- Having dedicated Engineering Program Managers for complex projects and the associated permit applications would:
 - Allow Permit Engineers to focus on the technical evaluation, which allows for more timely and consistent permit application processing
 - Promote submittal of complex permit applications with much more transparency and predictability, especially regarding permit approvability and timeline
 - Simultaneously improve permit application review efficiency and health protection by working with applicants in advance to consider how project design such as siting or equipment selection will affect health risks, permit requirements, source test requirements, and permit approvability
 - Expedite permit review for ALL permit applications, including routine permits
 - Complex permit applications create workload constraints and delays for all permit application reviews at the Air District
- **More effective management of complex permit applications allows more time to be devoted to all other permits**

Next Steps

- Include proposed positions for Board of Director consideration in Fiscal Year 26 budget
- Solicit interest from facilities that typically have complex permit applications
- Develop selection criteria
- Create funding agreement
- Hire staff
- Implement program

Questions?