

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Resolution No. 2017 - 05

**A Resolution to Approve the Budget for the Fiscal Year Ending June 30, 2018
(FY 2017-2018) and Various Budget Related Actions**

WHEREAS, the Board of Directors of the Bay Area Air Quality Management District (Air District) has the statutory authority and direction to set the Air District's financial budget pursuant to Health & Safety Code Sections 40130-40131 and 40270-40276;

WHEREAS, by Resolution No. 2016-05, the Board of Directors adopted the Air District Budget for Fiscal Year (FY) 2016-2017 on June 15, 2016, pursuant to the above-mentioned statutory authority;

WHEREAS, the Board of Directors, in connection with that action, approved the following budget related actions:

- A. Transfer Funds from Encumbered Balance of Appropriations to the Next Fiscal Year for Continuation of Projects/Programs
- B. Transfer Funds from Unencumbered Balance of Appropriations to the General Reserve;
- C. Fund the General Reserve from Year to Year;
- D. Approved Economic Contingency Reserve Policy of 20% of General Fund Budget;
- E. Authorize Modification to Name and Purpose of certain Designated Reserve Funds;
- F. Authorize Disposal of Surplus Government Property;
- G. Approve Salary Ranges for District Employees; and
- H. Approve Proposed District Budget for FY 2016-2017;

WHEREAS, Air District staff has determined through its annual budget review and analysis that similar actions are necessary in connection with the adoption of a budget for FY 2017-2018 and that all of these actions be incorporated into a single resolution;

WHEREAS, the Budget and Finance Committee of the Board of Directors reviewed the proposed FY 2017-2018 District Budget at public meetings held on March 22, 2017, and April 26, 2017, and recommended that the Board of Directors approve as submitted.

WHEREAS, an initial public hearing was duly noticed and held on May 17, 2017, at a Special Meeting of the Board of Directors held pursuant to Health & Safety Code Section 40131, for the purpose of reviewing the Air District's proposed FY 2017-2018 Budget and of providing the public with an opportunity to comment upon the proposed District Budget;

WHEREAS, at the May 17, 2017 Special Meeting of the Board of Directors, the Proposed FY 2017-2018 Air District Budget was set for a further hearing and proposed adoption at the Regular Meeting of the Board of Directors to be held on June 21, 2017;

WHEREAS, in connection with the public hearing and consideration of the Proposed FY 2017-2018 District Budget on June 21, 2017, the Board of Directors decided to take the following actions related to the FY 2016-2017 District Budget:

A. CARRYFORWARD ENCUMBERED BALANCE OF APPROPRIATIONS TO THE NEXT FISCAL YEAR FOR CONTINUATION OF PROJECTS/PROGRAMS NOT COMPLETED IN THE CURRENT FISCAL YEAR

WHEREAS, the Air District Budget FY2016-2017 has appropriated funds committed for projects/programs not completed in the current fiscal year that will carry over to the next fiscal year;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors hereby directs Air District staff, that in the event there is encumbered balance of appropriations from FY 2016-2017 for continuation of projects, to transfer such appropriations to the 2017-2018 fiscal year budget as needed for completion of projects/programs;

B. TRANSFER FUNDS FROM UNENCUMBERED BALANCE OF APPROPRIATIONS TO THE GENERAL RESERVE

WHEREAS, the Proposed Air District Budget provides sufficient funds for the operation of the Air District for FY 2017-2018;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors hereby directs Air District staff, that in the event there is an unencumbered balance of appropriations from FY 2016-2017, to transfer such excess balance to the General Reserve.

C. FUND THE GENERAL RESERVE FROM YEAR TO YEAR

WHEREAS, the Board of Directors on June 12, 1958, created a General Reserve in the Air District's budget and transferred certain funds into it;

WHEREAS, the Air District has operated for much of its existence with a General Reserve in its fiscal year budget;

WHEREAS, the Air District retained the consulting firm of KPMG LLP in 1998-99 to conduct a permit fee cost recovery study of the Air District;

WHEREAS, KPMG LLP determined through their study of Air District finances that the General Reserve was inadequately funded and therefore recommended that the General Reserve be funded to a level consistent with generally accepted governmental practices;

WHEREAS, Air District staff concurred with this finding and recommendation from KPMG LLP;

WHEREAS, the Board of Directors concurs with the recommendation of KPMG LLP, Air District staff and its Budget and Finance Committee that maintaining a healthy and properly funded General Reserve in the Air District's budget is a prudent and financially sound decision;

WHEREAS, as a part of the adoption of the 2015-16 Budget, the Board of Director approved an Economic Contingency Reserve Policy of 20% of the General Fund Budget;

NOW THEREFORE, BE IT FURTHER RESOLVED that the General Reserve be continued for FY 2017-2018, and thereafter until discontinued by resolution of the Board of Directors.

D. AUTHORIZE DISPOSAL OF SURPLUS GOVERNMENT PROPERTY

WHEREAS, the Air District Budget for FY 2017-2018 provides for the replacement of certain equipment and other property that has either become obsolete and surplus or will become obsolete and surplus;

WHEREAS, Air District staff has determined that certain equipment or other property will no longer be economically feasible to maintain or repair, and that some equipment will become obsolete and not useful for Air District purposes;

WHEREAS, from time to time during the course of the coming fiscal year it may be advantageous to the Air District to sell or dispose of such equipment or other property;

WHEREAS, the Board of Directors desires to authorize the Executive Officer/APCO, or his or her designee, to sell or dispose of such surplus or obsolete equipment or other property pursuant the requirements and guidelines of Government Code Sections 25363 and 25504;

NOW, THEREFORE, BE IT FURTHER RESOLVED, that the Board of Directors hereby authorizes the Executive Officer/APCO, or his or her designee, to sell or dispose of surplus or obsolete equipment or other property during FY 2017-2018.

E. SALARY RANGES FOR DISTRICT EMPLOYEES

WHEREAS, the Board of Directors established Salary Ranges and Classifications on June 10, 1962, pursuant to Resolution No. 270 and has from time to time amended those Salary Ranges and Classifications;

WHEREAS, the Air District Budget for FY 2017-2018 includes funds for Board of Director discretionary use in adjusting salaries and fringe benefits for Air District employees;

WHEREAS, the successor Memorandum of Understanding (the "MOU") with the employees represented by the recognized employee organization Bay Area Air Quality Management District Employees Association ("EA") is set to expire on June 30, 2017, and a successor MOU is being negotiated and completion is anticipated in the FY 2017-2018 period;

WHEREAS, management employees and confidential employees are not represented by a recognized employee organization;

WHEREAS, the FYE 2016-2017 salary schedule attached hereto remains unchanged for FY2017-2018 pending the completion of negotiations; whereby any proposed salary adjustments will be presented to the Board of Directors for approval at such time.

NOW, THEREFORE, BE IT FURTHER RESOLVED, that the Board of Directors approves the salary schedules attached hereto effective July 1, 2017 which, provides no salary increases.

F. APPROVE PROPOSED AIR DISTRICT BUDGET FOR FY 2017-2018

WHEREAS, on May 17, 2017, and June 21, 2018, public proceedings have been held in a manner and form required by Health & Safety Code Section 40131 for the adoption of the FY 2017-2018 Budget of the Bay Area Air Quality Management District;

WHEREAS, the Board of Directors has considered the Proposed Budget for the fiscal year ending June 30, 2018, as well as the report on this proposed budget from the Budget and Finance Committee of the Board of Directors which considered the Proposed FY2017-2018 Air District Budget at their meetings of March 22, 2017 and April 26, 2017;

WHEREAS, at the May 17, 2017, Regular Meeting of the Board of Directors, in its report to the Board of Directors, the Budget and Finance Committee of the Board of Directors through consensus supported staff recommendations to forward the Proposed FY 2017-2018 Air District Budget to the Board of Directors;

NOW, THEREFORE, BE IT FURTHER RESOLVED that the Proposed Air District Budget for FY Ending 2017-2018 in the total consolidated amount of One Hundred Fifty Four Million, Seven Hundred Twelve, Four Hundred and Forty Eight Dollars (\$154,712,448), specifying by appropriation classification – personnel, services and supplies, capital outlay, program distributions and transfers – is hereby adopted by the Board of Directors of the Bay Area Air Quality Management District to become effective as of July 1, 2017.

The foregoing resolution was duly and regularly introduced, passed and adopted at a regular meeting of the Board of Directors of the Bay Area Air Quality Management District on the Motion of Director KAPLAN, seconded by Director MITCHOFF, on the 21st day of JUNE 2017

by the following vote of the Board:

AYES: ABE-KOGA, BARRETT, GIOIA, HAGGERTY, HUDSON, JUE, KAPLAN, KIM, KNISS, MILEY, MITCHOFF, RICE, RONEN, ROSS, SINKS, WAGENKNECHT, ZANE

NOES: NONE

ABSTAIN: NONE

ABSENT: CANEPA, CHAVEZ, CUTTER, GROOM, SANCHEZ, SHEEHY, SPERING



LIZ KNISS
Chairperson of the Board of Directors

ATTEST:



KATIE RICE
Secretary of the Board of Directors