



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

BOARD OF DIRECTORS BUDGET AND FINANCE COMMITTEE MEETING

COMMITTEE MEMBERS

JULIA MILLER -CHAIRPERSON - CHRIS DALY - VICE CHAIRPERSON
HAROLD BROWN ROBERTA COOPER
SCOTT HAGGERTY JERRY HILL
PATRICK KWOK MARK ROSS
GAYLE B. UILKEMA

WEDNESDAY
JANUARY 26, 2005
9:45 A.M.

4TH FLOOR
CONFERENCE ROOM

AGENDA

1. **CALL TO ORDER - ROLL CALL**
2. **PUBLIC COMMENT PERIOD** (*Public Comment on Non-Agenda Items Pursuant to Government Code § 54954.3*) Members of the public are afforded the opportunity to speak on any agenda item. All agendas for regular meetings are posted at District headquarters, 939 Ellis Street, San Francisco, CA, at least 72 hours in advance of a regular meeting. At the beginning of the regular meeting agenda, an opportunity is also provided for the public to speak on any subject within the Board's authority. Speakers will be limited to five (5) minutes each.
3. **APPROVAL OF MINUTES OF DECEMBER 20, 2004**
4. **ANALYSIS OF THE GOVERNOR'S PROPOSED 2005/2006 STATE BUDGET**
J. Broadbent/5052
jbroadbent@baaqmd.gov
Staff will provide the Committee with information on the Governor's proposed State budget.
5. **CONSIDER PHASE ONE IMPLEMENTATION OF VIDEO-CONFERENCING EQUIPMENT AND INSTALLATION IN THE 4TH FLOOR CONFERENCE ROOM**
W. Tanaka/5066
wtanaka@baaqmd.gov
The Committee will consider recommending Board of Director approval of phase one implementation of video-conferencing equipment in the 4th floor conference room.
6. **CONSIDER FUNDING AND A TRANSFER OF FUNDS FROM RESERVES FOR CONTINGENCIES TO FUND THE 2005 LAWN MOWER BUY-BACK PROGRAM**
J. Broadbent/5052
jbroadbent@baaqmd.gov
The Committee will consider recommending Board of Director approval of funding and the transfer of funds for the 2005 lawn mower buy-back program.

7. **COMMITTEE MEMBER COMMENTS/OTHER BUSINESS**

Any member of the Board, or its staff, on his or her own initiative or in response to questions posed by the public, may: ask a question for clarification, make a brief announcement or report on his or her own activities, provide a reference to staff regarding factual information, request staff to report back at a subsequent meeting concerning any matter or take action to direct staff to place a matter of business on a future agenda. (Gov't Code § 54954.2)

8. **TIME AND PLACE OF NEXT MEETING – FEBRUARY 23, 2005 939 ELLIS STREET - SF, CA**

9. **ADJOURNMENT**

CONTACT CLERK OF THE BOARD - 939 ELLIS STREET SF, CA 94109

(415) 749-4965
FAX: (415) 928-8560
BAAQMD homepage:
www.baaqmd.gov

- To submit written comments on an agenda item in advance of the meeting.
- To request, in advance of the meeting, to be placed on the list to testify on an agenda item.
- To request special accommodations for those persons with disabilities notification to the Clerk's Office should be given at least 3 working days prior to the date of the meeting, so that arrangements can be made accordingly.

**Bay Area Air Quality Management District
939 Ellis Street
San Francisco, California 94109**

DRAFT MINUTES

Summary of Board of Directors
Budget & Finance Committee Meeting
9:45 a.m., Monday, December 20, 2004

1. **Call to Order:** Chairperson Julia Miller called the meeting to order at 9:45 a.m.

Roll Call: Julia Miller, Chair; Harold Brown, Roberta Cooper, Chris Daly (10:27 a.m.), Jerry Hill, Patrick Kwok.

Absent: Gayle Uilkema.
2. **Public Comment Period:** There were none.
3. **Approval of Minutes of August 4, 2004 and September 30, 2004:** Director Hill moved approval of the minutes; seconded by Director Kwok; carried unanimously without objection.
4. **First Quarter Financial Report for Fiscal Year 2004/2005:** *The financial report for the first quarter of Fiscal Year 2004/2005 was presented. This is an informational item only.*

Wayne Tanaka, Director of Administrative Services, presented the report and reviewed the General Fund budget statements of revenue and expenditures. Mr. Tanaka also reviewed the Transportation Fund for Clean Air (TFCA) statement of income and expenditures. Mr. Tanaka stated that the District does have a contingency plan if there are additional cuts from the next state budget and that the District's budget process for the next fiscal year will start soon.

Committee Action: None. This report provided for information only.
5. **Request Approval of Purchase Order for Teleconferencing Equipment and Installation in Board and 4th Floor Conference Rooms, and Transfer of Funds from the Contingency Reserve:** *The Committee considered approval of purchase order to Commercial Video for teleconferencing equipment and installation in the amount of \$81,910, approval of transfer of \$110,310 from Contingency Reserve, and increase the Fiscal Year 2004/2005 budget by \$110,310.*

Mr. Tanaka presented the report and stated that the District received three bids through the Request for Proposals (RFP) process. Mr. Tanaka noted that all three bidders determined that the lighting and acoustic properties of the rooms would require upgrades at an estimated additional cost of \$20,000.

Mr. Tanaka stated that staff recommends approval of a purchase order not to exceed \$81,910, to Commercial Video; approval of a request to transfer \$110,310 from the Reserves for Contingency; and an amendment to the fiscal year 2004/2005 Capital Budget in the amount of \$101,910 and ISS Budget in the amount of \$8,400.

The Committee discussions included the following: 1) a cost benefit analysis being conducted; 2) where the remote locations would be and staffing of the remote locations; 3) video conferencing versus teleconferencing; 4) how many times the system would be used; 5) the issue of poor reception or poor sound quality; 6) one remote location instead of two; and 7) Brown Act issues.

Director Townsend requested copies of the specifications that went out with the RFP.

The Committee requested staff report back with an estimate of how many times a year the system would be used and the number of car trips that would be saved as a result of its use.

Committee Action: Director Townsend moved that the matter be continued to the next meeting; seconded by Director Cooper.

There was discussion on researching the system used by the South Coast AQMD and if their system is what this District could use. Director Miller requested staff prepare a cost comparison of teleconferencing versus video conferencing. There was also a suggestion that the Board could establish a policy that meetings could be cancelled on Spare the Air days.

Director Daly arrived at 10:27 a.m.

The motion then passed unanimously without objection.

6. **Committee Member Comments/Other Business.** In response to a question from Chairperson Miller, Peter Hess, Deputy APCO, stated that the Economic Development Alliance for Business (EDAB) is the Alameda County representative on the Cost Recovery Steering Committee. Mr. Hess reported that the consultants are in the building doing the work and at a future meeting of the Budget and Finance Committee the interim report of the Cost Recover Study will be presented.

Mr. Hess stated that a letter has been sent to the South Coast, San Diego and San Joaquin districts requesting information on their Cost Recovery Studies, but the information has not yet been received. When the District has the information, it will be forwarded to the Board.

The Committee was invited to participate in the holiday party in the 7th Floor Board Room.

7. **Time and Place of Next Meeting:** 9:45 a.m., Wednesday, January 26, 2005, 939 Ellis Street, San Francisco, CA 94109.
8. **Adjournment:** The meeting adjourned at 10:32 a.m.

Mary Romaidis
Clerk of the Boards

Budget and Finance Committee

Follow-Up Items for Staff

December 20, 2004 meeting

1. Director Townsend requested copies of the specifications that went out with the RFP.
2. The Committee requested staff report back with an estimate of how many times a year the system would be used and the number of car trips that would be saved as a result of its use.
3. Director Miller requested staff prepare a cost comparison of teleconferencing versus video conferencing.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Office Memorandum

To: Chairperson Miller and Members
of the Budget and Finance Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: January 19, 2005

Re: Analysis of the Governor's Proposed 2005-06 State Budget

RECOMMENDED ACTION:

Receive and file.

DISCUSSION:

On Monday, January 10th, Governor Schwarzenegger released his initial budget proposal for California's 2005-06 fiscal year. Staff have reviewed the \$112 billion proposal, and highlight the aspects most relevant to the District below. Staff note, however, that this is merely the first proposal from the Governor; his second proposal (the "May Revise") will likely be issued four months from now. The final budget is due to be adopted by June 15, 2005 (although in practice the actual adoption date is typically weeks or months later). This ultimate budget is the result of negotiations between the Legislature and the Governor.

Local air districts historically receive state funding to carry out our mission. These funds, called our state subvention, come from the Motor Vehicle Account of the State Transportation Fund. The Governor's proposal would continue our state subvention at the same level of the last three years. While this is a reduction by a third of what the subvention was four years ago, the fact that there is no initial proposal to cut subvention is good news for the District.

In the 2004-05 budget debate, the property tax revenues the District receives were in jeopardy of being taken by the State. Ultimately, our final property tax cut was 10%, after attempts to take up to 25% were unsuccessful. Per the Governor's agreement with local government organizations, reinforced by the changes to the State constitution made in Proposition 1A of last November, the 10% cut is proposed to be continued (but not expanded) in the next fiscal year. This was expected by District staff.

The Air Resources Board (ARB) fares better than most State agencies in the Governor's proposal. Both total funding and staff are slated to be increased, in part to handle a number of new programs. The most significant program expansion is a result of AB 923 (Firebaugh) of 2004, which provides significant new incentive funding for Moyer-like incentive-based programs to cut emissions. While local districts will administer the grants, ARB has an oversight role.

BUDGET CONSIDERATION/FINANCIAL IMPACT:

No impact on current (2004-05 budget). Potential impacts on next year discussed above.

Respectfully submitted

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Tom Addison
Reviewed by: Brian Bunger

BAY AREA AIR QUALITY MANGEMENT DISTRICT

Interoffice Memorandum

To: Chairperson Miller and Members
of the Budget and Finance Committee

From: Wayne Tanaka
Director of Administrative Services

Date: January 18, 2005

Re: Consider Phase One Implementation of Video-Conferencing Equipment and
Installation in the 4th Floor Conference Room

RECOMMENDED ACTION:

Staff recommends that the Committee recommend Board of Director approval of phase one implementation of video-conferencing in the 4th floor conference room. Approval of a purchase order not to exceed \$28,653 to Commercial Video to include the transfer of \$37,053 from the Reserve for Contingency is requested. An amendment to the FY 2004/2005 Capital Budget - \$28,653 and ISS Budget - \$8,400 is also requested.

BACKGROUND

At its June 14, 2004, meeting, the Public Outreach Committee of the District's Board of Directors directed staff to investigate and report to the Executive Committee on the possibility of holding Board and Board Committee meetings by teleconference on Spare-the-Air days in order to reduce emissions from vehicles used to travel to such meetings at the District's offices. Staff presented a report at the November 29, 2004 Executive Committee meeting and recommended that the Board consider holding all Regular and Committee meetings with teleconferencing available.

At the December 20, 2004 meeting of the Budget & Finance Committee the members discussed 1) a cost benefit analysis being conducted; 2) where the remote locations would be and staffing of the remote locations; 3) video conferencing versus teleconferencing; 4) how many times the system would be used; 5) the issue of poor reception or poor sound quality; 6) one remote location instead of two; and 7) Brown Act issues. The Committee requested staff to report back with an estimate of how many times a year the system would be used and the number of car trips that would be saved as a result of its use.

DISCUSSION

At the November 29, 2004, meeting of the Board of Director's Executive Committee, staff was directed to continue gathering information through the RFP process and present the information to the Budget & Finance Committee.

Staff has reviewed Brown Act requirements for video-conference of meetings in addition to those requirements that are applicable to ordinary meetings. The District will need to obtain video-conferencing equipment for the Boardroom and the commonly used Committee meeting rooms. The equipment will allow participants the best possible experience with both sound and visual

communication. Also included in the proposals are costs for an assisted listening system to aid the hearing impaired.

The video-conferencing capabilities will allow Board members and members of the public to participate when direct attendance is not possible. The video-conferencing capabilities will allow staff to participate in offsite meetings and conferences from the District building. This will save money in travel costs and reduce vehicle miles.

Through the Request for Proposal process, three bids for this project were submitted.

<u>Commercial Video</u>	<u>SPL Systems</u>	<u>Integrated Media Systems</u>
<u>\$81,910 Total</u>	<u>\$135,881 Total</u>	<u>\$184,859 Total</u>
\$53,257 Board Room	\$ 63,342 Board Room	\$ 81,731 Board Room
\$26,940 4 th Floor Conf	\$ 71,114 4 th Floor	\$102,196 4 th Floor Conf
\$ 1,713 Assisted Listening	\$ 1,425 Assisted Listening	\$ 932 Assisted Listening
<hr/>		
<u>Audio Conferencing</u>		
.27/minute per call		
\$2,000 4th Floor Conf		
\$ 350 Board Room		
Information provided by in-house IT staff.		

During site visits by the bidders, the lighting and acoustic properties of both rooms were mentioned. Upgrades may be required to get the best video and audio possible. To enhance the lighting and add sound deadening acoustic materials will cost an estimated \$12,000 for the Board Room and \$8,000 for the 4th Floor Conference Room. These costs are additional and not part of the bids.

Additionally, a dedicated T1 line, a digital transmission link to other locations, will be required. The cost of the line is estimated to be \$700 per month - \$8,400 annually. The monthly fee will apply whether the line is used or not as it will be a dedicated line. Other costs, such as those associated with the operating of equipment at the receiving end are unknown at this time.

In response to a request from the Budget & Finance Committee at the December 20, 2004 Meeting, staff estimated the number of times a year a video-conferencing system would be used and the potential reduction in the number of car trips that could occur as a result of its use. Separate estimates were made for members of the Board of Directors and District staff. In addition to the number of car trips that could be reduced, staff also estimated the potential time and cost savings and the corresponding criteria pollutant and greenhouse gas emission reductions. Table 1 shows the estimates for members of the Board of Directors; Table 2 shows the estimates for District staff. In each case the assumptions are shown in footnotes below the Table.

**Potential Trip Reductions, Time and Cost Savings, and Emission Reductions
by Board Members and District Staff Use of Video-Conferencing**

Table 1-Board Members

	No. of meetings per year ¹	No. using video-conferencing per meeting ²	Trips avoided per year	Time saved per year ³	Miles per year ⁴	Cost saving per year ⁵	Criteria emission reduction tons/year ⁶	GHG emission reduction tons/year ⁷
Board Meetings	16	7	112	140	6,272	\$2,540	0.013	2.5
Committee Meetings	37	3	111	139	6,216	\$2,517	0.013	2.4
Total	53	10	223	279	12,488	\$5,057	0.026	4.9

Assumptions:

1. Number of meetings in 2004
2. 1/3 of 22 Members for Board Meetings & 1/3 of 9 Members at Committee Meetings use videoconferencing
3. 1.25 hour round trip
4. 56 mile round trip
5. Board member travel reimbursed @40.5 cents/mile for 2005
6. Criteria pollutants: ROG+NO_x+PM₁₀+SO₂+CO/7 (as recommended by ARB)
7. Greenhouse gases - CO₂ Emissions

Table 2-District Staff

	No. of meetings per year ¹	Trips avoided per year ²	Time saved per year ³	Cost saving (staff time) ⁴	Miles per year ⁵	Cost saving (vehicle use) ⁶	Total cost saving per year ⁷	Criteria emission reduction tons/year ⁸	GHG emission reduction tons/year ⁹
Sacramento	57	28	112	\$6,137	5,600	\$3147	\$9,564	0.011	2.2
Fresno	10	5	40	\$2,192	2,000	\$1,124	\$3,366	0.004	0.8
Total	67	33	152	\$8,329	7,600	\$4,271	\$12,930	0.015	3.0

Assumptions:

1. Number of District vehicle trips in 2004 to attend meetings in Sacramento and Fresno
2. Half of the trips would be avoided
3. 4-hour round trip to Sacramento and 8-hour to Fresno and other areas
4. Professional Staff @ \$54.8/hour including benefits
5. 200 mile round trip to Sacramento and 400 mile round trip to Fresno
6. AAA rate of 56.2 cents/mile
7. Includes \$10 parking fees per trip
8. Criteria Pollutants: ROG+NO_x+PM₁₀+SO₂+CO/7 (as recommended by ARB)
9. Greenhouse gases - CO₂ Emissions

Should the Committee and Board desire to proceed with this project, staff recommends that Commercial Video be selected as the vendor based on competitive pricing and known reputation.

BUDGET CONSIDERATION/FINANCIAL IMPACT

The FY 2004/2005 Capital Budget will be increased by \$28,653 and the ISS Budget will increase by \$8,400 with a transfer from the Reserve for Contingency.

Respectfully submitted,

Wayne Tanaka
Director of Administrative Services

FORWARDED _____

Prepared by: Wayne Tanaka and Gary Kendall

BAY AREA AIR QUALITY MANGEMENT DISTRICT

Interoffice Memorandum

To: Chairperson Miller and Members
of the Budget and Finance Committee

From: Teresa Galvin Lee
Director of Public Information and Outreach

Date: January 19, 2005

Re: Consider Funding and a Transfer of Funds for the 2005 Lawn
Mower Buy-Back Program

BACKGROUND

The Budget and Finance Committee will consider recommending that the Board of Directors approve the transfer of not more than \$100,000 from the Reserve for Contingencies to fund the Spring 2005 Lawn Mower Buyback Programs. The item was referred from the Public Outreach Committee with the recommendation that the funding be approved.

DISCUSSION

Since 2000, the Air District has co-sponsored lawn mower buy-back programs in the Bay Area. A \$100 rebate has been available to local residents who wish to exchange their old gas-powered mower for a new cleaner electric model. The programs have been co-sponsored with local waste management agencies, Home Depot and Black and Decker. Last year, \$135,000 in District funding was dedicated to lawn mower buy-backs. Public response to the programs has been very positive.

Because of budget cuts, all funding for lawn mower buy-back programs in 2005 was eliminated from the District budget. Two small programs of \$10,000 each will be held in Rodeo and East Palo Alto as a result of Supplemental Environmental Program (SEP) settlements. If the District wishes to continue the lawn mower buy-back programs in other communities in 2005, funding would have to be transferred from the Reserves for Contingencies. The Public Outreach Committee has recommended that no more than \$100,000 be transferred for a 2005 program.

BUDGET CONSIDERATIONS/FINANCIAL IMPACT

Authorization of \$100,000 from the Reserve for Contingencies would reduce the reserves by a corresponding amount.

Respectfully submitted,

Teresa Galvin Lee
Director of Public Information and Outreach

FORWARDED _____