



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

BOARD OF DIRECTORS BUDGET AND FINANCE COMMITTEE MEETING

COMMITTEE MEMBERS

JULIA MILLER - CHAIRPERSON
HAROLD BROWN
SCOTT HAGGERTY
PATRICK KWOK
GAYLE B. UILKEMA

CHRIS DALY - VICE CHAIRPERSON
ROBERTA COOPER
JERRY HILL
MARK ROSS

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

FOURTH 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 three (3) minutes each.
3. **APPROVAL OF MINUTES OF SEPTEMBER 28, 2005**
4. **FIRST QUARTER FINANCIAL REPORT FOR FISCAL YEAR 2005/2006** **J. McKay/4629**
jmckay@baaqmd.gov
The financial report for the first quarter of fiscal year 2005/2006 will be presented. This will be an informational item.
5. **CONSIDER RECOMMENDATION TO AMEND FY 2005/2006 BUDGET WITH THE TRANSFER OF \$80,075 FROM RESERVE FOR CAPITAL EQUIPMENT AND AUTHORIZE APPROVAL OF PURCHASE ORDER IN EXCESS OF \$70,000** **J. McKay/4629**
jmckay@baaqmd.gov
The Committee will consider recommending that the Board of Directors amend FY 2005/06 budget by transferring \$80,075 from the Reserve for Capital Equipment to the Technical Services Budget, and authorize the Executive Officer/APCO to issue a purchase order in the amount of \$80,075 to Thermo Environmental Instruments for five Methane/Non-Methane Organic Carbon Analyzers.
6. **STATUS REPORT OF PHASE ONE IMPLEMENTATION OF VIDEO-CONFERENCING EQUIPMENT AND INSTALLATION IN THE 4TH FLOOR CONFERENCE ROOM** **J. McKay/4629**
jmckay@baaqmd.gov
The Committee will receive a status report on progress being made with regard to the installation of teleconferencing equipment in the 4th floor conference room.

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 – AT THE CALL OF THE CHAIR

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

Memorandum

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

From: Jack P. Broadbent
Executive Officer/APCO

Date: October 19, 2005

Re: Budget and Finance Committee Draft Minutes

RECOMMENDED ACTION:

Approve attached draft minutes of the Budget and Finance Committee meeting of September 28, 2005.

DISCUSSION

Attached for your review and approval are the draft minutes of the September 28, 2005 Budget and Finance Committee meeting.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

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

DRAFT MINUTES

Summary of Board of Directors
Budget & Finance Committee Meeting
Wednesday, September 28, 2005

1. **Call to Order:** Chairperson Julia Miller called the meeting to order at 9:50 a.m.

Roll Call: Julia Miller, Chair; Harold Brown, Roberta Cooper, Scott Haggerty, Jerry Hill, Mark Ross, Gayle B. Uilkema.

Absent: Chris Daly, Patrick Kwok.

Also Present: Marland Townsend, Pamela Torliatt.

2. **Public Comment Period:** There were none.

3. **Approval of Minutes of May 18, 2005:** Director Brown moved approval of the minutes; seconded by Director Uilkema; carried without objection.

4. **Fourth Quarter Financial Report for Fiscal Year 2004/2005:** *The financial report for the fourth quarter of fiscal year 2004/2005 was presented. This is an informational item.*

Jeff McKay, Interim Director of Administrative Services, presented the report and reviewed the Statement of Revenue and Expenditures for the General Fund and the Transportation Fund for Clean Air (TFCA) Fund.

Director Uilkema requested that a statement on Reserves be included with future financial reports.

Committee Action: None. This report provided for information only.

5. **Consider Request to Increase Credit Card Limits and Issue Additional Cards:** *The Committee considered recommending Board of Director approval of authorization to increase the credit card limit of the Executive Officer/APCO and the issuance of credit cards to senior management staff.*

Mr. McKay explained that currently the District has three credit cards, each having a \$5,000 credit limit, issued to the Executive Officer/APCO, and two Division Directors. In order to enhance the operational efficiency of the District, staff is recommending that the Executive Officer's credit limit be increased to \$10,000 and increase the two existing Division Director limits to \$10,000 each. In addition, staff is also recommending that similar cards be issued to the District Counsel and the two Deputy Air Pollution Control Officers (DAPCO).

Therefore, there will be an overall total credit limit increase from the current credit limit of \$15,000 to the proposed credit limit of \$60,000. This increase in the District's credit card limit and issuing additional cards will have no impact on the District's budget.

Staff responded to questions and concerns regarding what types of expenses the credit cards are used for and who reviews and approves the expenditures. The Committee requested that there be some provision for a formal review of the credit card expenditures, on a monthly basis, by either the Chairperson of the Board of Directors or the Committee.

Committee Action: Director Haggerty moved that the Committee recommend that the Board of Directors approve authorization to increase the credit card limit of the Executive Officer/APCO from \$5,000 to \$10,000; that the Executive Office Manager be added to the list of new credit cards issued, as well as the District Counsel with a credit limit of \$10,000 each. The credit limits for the two DAPCOs and the two existing Division Directors will be \$5,000 each. Additionally, there will be a provision established to have the expenditures formally reviewed by either the Chairperson of the Board of Directors or the Committee. The motion was seconded by Director Ross; the motion passed with one objection by Director Brown.

6. Consider Request to Amend Fiscal Year 2005/2006 Budget and Transfer Funds from Reserve for Building and Facilities: *The Committee considered recommending Board of Director approval of request to increase fiscal year 2005/2006 budget and transfer funds from Reserve for Building and Facilities.*

Mr. KcKay recommended that the Committee consider recommending Board of Directors approval to transfer \$122,000 from the Reserve for Building and Facilities, and approve an increase in the Administrative Services Building Maintenance budget of \$60,000 for installation of rooftop Safety Anchors, and approve an increase in the Administrative Services Building Maintenance budget of \$62,000 for Air District Building West Exterior Epoxy Injection.

Mr. McKay explained that cracks in the west side of the 939 Ellis Street facility have been considered for epoxy injection over the last several years. A recent increase in the volume of leakage from those cracks motivates the current recommendation for epoxy injection.

Mr. McKay further explained that CAL OSHA requires certified anchoring devices and an Operations Procedure Outline Sheet on San Francisco commercial building rooftops. The anchors are used during servicing of the building, including window washing and painting.

Director Haggerty stated that it is possible that the District's building has been damaged by the construction of the building next door. Director Haggerty recommended that staff investigate this matter further to find out if a settlement could be obtained from the management of the building next door. Also, staff should obtain a cost for having a building inspection done.

Committee Action: Director Uilkema moved that the Committee recommend that the Board of Directors approve the following:

- transfer \$122,000 from the Reserve for Building and Facilities;
- increase the Administrative Services Building Maintenance budget for fiscal year 2005/2006 of \$60,000 for installation of rooftop Safety Anchors;
- increase the Administrative Services Building Maintenance budget for fiscal year 2005/2006 of \$62,000 for Air District Building West Exterior Epoxy Injection.

Direction was given to staff to obtain a cost for conducting a building inspection and to investigate whether or not the District is still within the statute of limitation to file a claim against the management of the building next door.

The motion was seconded by Director Brown; carried unanimously without objection.

7. **Consider Recommending approval of Purchase Order, Amendment to FY 2005/2006 Budget and Transfer Funds from Reserve for Production System:** *The Committee considered recommending Board of Directors approval to transfer \$250,000 from Reserve for Production System, approve an increase in the Information Systems Professional Services budget of \$250,000 and approve a purchase order to CH2MHill in an amount not to exceed \$250,000 for configuration and building of an Oracle database.*

Mr. McKay presented the report and provided the following information for the migration to Oracle database:

- High level design decisions completed
- Pilot Implementations starting early 2006
- Current request provides for pilot database

Mr. McKay explained that a key opportunity associated with the replacement of IRIS and Databank is to substitute a planned Oracle database structure for the existing non-optimal database architecture. CH2MHill is recommended as the sole source based on these criteria, and based on the high costs of training other vendors. This work will result in a populated, functioning Oracle database suitable for use in the upcoming pilot projects at the District.

Committee Action: Director Uilkema moved that the Committee recommend Board of Director approval for the following:

- transfer \$250,000 from the Reserve for Production System;
- increase the Information Systems Professional Services budget by \$250,000; and
- approve a purchase order to CH2MHill in an amount not to exceed \$250,000 for configuration and building of an Oracle database.

The motion was seconded by Director Hill; carried unanimously without objection.

8. **Committee Member Comments/Other Business.** Chairperson Miller requested a status report on the installation of the video teleconferencing. Mr. McKay explained that he is waiting for one other bid before finalizing the plans.

Mr. McKay introduced Michael White, the new Finance Manager.

9. Time and Place of Next Meeting: At the Call of the Chair.

10. Adjournment: The meeting adjourned at 10:35 a.m.

Neel Advani
Deputy Clerk of the Boards

BAY AREA AIR QUALITY MANGEMENT DISTRICT

Office Memorandum

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

From: Jack P. Broadbent
Executive Officer/APCO

Date: October 18, 2005

Re: First Quarter Financial Report – Fiscal Year 2005-06

RECOMMENDED ACTION:

Informational report. Receive and file.

DISCUSSION

GENERAL FUND BUDGET: STATEMENT OF REVENUE

Comparison of Budget to Actual Revenue

- County Revenue receipts were \$5,635 (.04%) of budgeted revenue. The District will receive the bulk of this revenue in January and June.
- Permit Fee receipts were \$9,687,849 (56.9%) of budgeted revenue.
- Title V Permit Fees were \$898,099 (44.6%) of budgeted revenue.
- Asbestos Fees were \$431,849 (26.7%) of budgeted revenue.
- Toxic Inventory Fees were \$264,278 (51.8%) of budgeted revenue.
- Penalties and Settlements were \$1,227,250 (61.4%) of budgeted revenue.
- Miscellaneous Revenue receipts were \$109,493 (60.8%) of budgeted revenue.

GENERAL FUND BUDGET: STATEMENT OF EXPENDITURES

Comparison of Budget to Actual Expenditures

- Salaries and Benefits were \$6,596,811 (17.6%) of estimated expenditures.
- Operational Services and Supplies were \$2,206,156 (24.1%) of estimated expenditures.
- Capital Outlay was \$2,078 (.51%) of estimated expenditures.

TFCA FUND: STATEMENT OF INCOME AND EXPENDITURES

- Total Revenue was \$789,831 (7.8%) of estimated revenue and expenditures.
- In keeping with TFCA Fund requirements, expenditures must equal revenue.
- Salary and Benefits were \$299,003 (15.6%) of estimated expenditures.
- Operational Services and Supplies were \$552,211 (6.7%) of estimated expenditures.

FUND BALANCES

FUND BALANCES	6/30/2004 Audited	6/30/2005 Projected	6/30/2006 Budgeted
SPECIAL RESERVES:			
Reserve for Imprest Cash (Cash Revolving Fund)	1,200	1,200	1,200
Reserve for Building and Facilities	2,894,175	2,894,175	2,186,035
Reserve for PERS Funding	3,500,000	3,500,000	3,100,000
Reserve for Radio Replacement	3,500,000	3,500,000	3,500,000
Reserve for State Ozone Modeling Plan	350,000	350,000	0
Reserve for Production System (Best of Breed)	2,100,000	1,960,000	1,710,000
Reserve for Prior Year Adjustments	15,000	15,000	15,000
Reserve for Capital Equipment	378,000	378,000	925,500
Reserve for Contingencies	265,000	265,000	400,000
Reserve for Workers Compensation Self Funding	1,000,000	1,000,000	1,000,000
TOTAL SPECIAL RESERVES:	14,003,375	13,863,375	12,837,735
UNRESERVED:			
Undesignated	8,125,285	8,125,285	7,143,814
TOTAL FUND BALANCES	22,128,660	21,988,660	19,981,549

BUDGET CONSIDERATION/FINANCIAL IMPACT

No impact on Fiscal Year 2005/2006 budget.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Michael White
Reviewed by: Jeffrey McKay

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

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

From: Jack P. Broadbent
Executive Officer/APCO

Date: October 21, 2005

Re: Consider Recommending that the Board of Directors Amend the FY
2005/2006 Budget with the Transfer of \$80,075 from the Reserve for
Capital Equipment and Authorize Approval of a Purchase Order in Excess
of \$70,000

RECOMMENDED ACTION

The Committee will consider recommending that the Board of Directors amend the FY 2005/2006 Budget by transferring \$80,075 from the Reserve for Capital Equipment to the Technical Services Budget, and authorize the Executive Officer/APCO to issue a purchase order in the amount of \$80,075 to Thermo Environmental Instruments for five Methane/Non-Methane Organic Carbon Analyzers.

SUMMARY

In accordance with the provisions of Division II, Section 4, 4.3 of the Administrative Code, the Air Monitoring Section requests the Board authorize the Executive Officer to issue a purchase order in the amount of \$80,075 to Thermo Environmental Instruments (TEI) for five Methane/Non-Methane Organic Carbon (NMOC) Analyzers. Staff evaluated Methane/NMOC Analyzers from four manufacturers of this equipment and selected the TEI analyzer as the best choice to meet District needs. Funds from previous budget years were set aside in the Reserve for Capital Equipment to purchase these analyzers.

DISCUSSION

The District's Air Monitoring Section operates Methane/NMOC analyzers at five monitoring stations throughout the Bay Area. The current equipment is over twenty-five years old and is no longer supported by the manufacturer.

Staff obtained price quotes and evaluated Methane/NMOC analyzers from four manufacturers of this equipment - TEI, VGI Industries, Baseline/MOCON and Peak Laboratories. The evaluation criteria included analyzer accuracy, precision, purchase and operating costs, operating features, and compatibility with current analyzers. TEI was the only one to successfully meet all requirements as presented in the following table.

Methane/NMOC Analyzer Evaluated

Rankings Based on District Specifications					
Manufacturer	Level of Detection	Stability	Repeatability	Accuracy	Cost
TEI	Good	Best	Good	Best	\$15,250
Baseline/MOCON	Good	Fair	Poor	Poor	\$15,146
Peak Laboratories	Best	Good	Best	Poor	\$16,110
VIG Industries	Withdrew from Competition				

BUDGET CONSIDERATION/FINANCIAL IMPACT

Recommendation by the Committee and approval by the Board of Directors would increase the FY2005/2006 Technical Services Division Budget by \$80,075 with a transfer from the Reserve for Capital Equipment to purchase the Methane/NMOC Analyzers. There would be a remaining balance of \$297,925 in this reserve after this purchase.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Eric Stevenson
Reviewed by: Gary Kendall

BAY AREA AIR QUALITY MANGEMENT DISTRICT

Office Memorandum

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

From: Jack P. Broadbent
Executive Officer/APCO

Date: October 18, 2005

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

RECOMMENDED ACTION:

Informational report. Receive and file.

BACKGROUND

At its February 16, 2005 meeting, the Board of Directors approved phase one implementation of video-conferencing in the 4th floor conference room, including approval of a purchase order not to exceed \$28,653 to Commercial Video. The phase one plan includes two 50" panels mounted on custom swing-out mounts on the East walls. The equipment and switchgear will be contained in existing cabinetry and in closet space.

DISCUSSION

Upgrades are in process for the room's lighting and acoustical properties at a cost of approximately \$3000 out of already budgeted general facilities and maintenance expense. This is a requirement to obtain the best possible video and audio. These costs are additional and not part of the bid.

Additionally, the room requires a dedicated T1 line. The cost of the line is approximately \$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.

BUDGET CONSIDERATION/FINANCIAL IMPACT

The FY 2004/2005 Capital Budget was increased by \$28,653 and the ISS Budget was increased by \$8,400 with a transfer from the Reserve for Contingency to fund this project. As transfers from reserves, these funds have been carried over into the FY 2005/2006 Budget.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Jeff McKay