



BOARD OF DIRECTORS
BUDGET AND FINANCE COMMITTEE MEETING

COMMITTEE MEMBERS

BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

CHRIS DALY - CHAIRPERSON
HAROLD BROWN
DAN DUNNIGAN
JERRY HILL
TIM SMITH

PATRICK KWOK - VICE CHAIRPERSON
ROBERTA COOPER
ERIN GARNER
MARK ROSS

WEDNESDAY
MAY 10, 2006
9:45 A.M.

FOURTH FLOOR CONFERENCE ROOM
DISTRICT OFFICES

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 APRIL 26, 2006**
4. **CONTINUED PRELIMINARY FY 2006-2007 BUDGET DISCUSSIONS**
The Committee will continue discussion of the preliminary budget for FY 2006-2007.
J. MCKAY/4629
jmckay@baaqmd.gov
5. **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).
6. **TIME AND PLACE OF NEXT MEETING – 9:45 a.m., WEDNESDAY, MAY 24, 2006 – 939 ELLIS STREET, SAN FRANCISCO, CA 94109**
7. **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 Chris Daly and
Members of the Budget and Finance Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: May 2, 2006

Re: Budget and Finance Committee Draft Minutes

RECOMMENDED ACTION:

Approve attached draft minutes of the Budget and Finance Committee meeting of April 26, 2006.

DISCUSSION

Attached for your review and approval are the draft minutes of the April 26, 2006 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
9:45 a.m., Wednesday, April 26, 2006

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

Roll Call: Chris Daly, Chair; Harold Brown, Roberta Cooper, Jerry Hill, Patrick Kwok, Mark Ross, Tim Smith.

Absent: Dan Dunnigan, Erin Garner.

Also Present: Gayle B. Uilkema.
2. **Public Comment Period:** There were none.
3. **Approval of Minutes of March 22, 2006:** Director Brown moved approval of the minutes; seconded by Director Hill; carried unanimously without objection.
4. **Overview of Preliminary Budget Meeting for FY 2006-2007:** *The Committee discussed the preliminary budget for FY 2006-2007.*

Jack Broadbent, Executive Officer/APCO noted that the Board of Directors will officially refer the fiscal year 2006/2007 Budget to the Budget and Finance Committee on May 3, 2006. Mr. Broadbent reported on the overall direction of the budget and noted that the fiscal year 2006/2007 budget is balanced and is based on proposed fee increases and no transfers from undesignated reserves.

Jeff McKay, Chief Financial Officer, reviewed the fiscal challenges facing the District. Mr. Broadbent and Mr. McKay discussed the following key Programs in the budget:

- Community Air Risk Evaluation (CARE) program,
- Climate protection,
- Enhanced outreach on woodsmoke,
- Production system replacement for IRIS and databank,
- District security, and
- Community mitigation, which is a new program built into the budget in lieu of Supplemental Environmental Projects (SEPs).

The addition of four key staff positions was reviewed. The four positions include an Air Quality Specialist for Enforcement, a Principal Air Quality Engineer for toxics modeling, a Principal Procurement Agent, and an Environmental Planner II.

Mr. McKay reviewed and discussed the consolidated revenue and expenditures; general fund expenditures; Transportation Fund for Clean Air (TFCA) expenditures; and Mobile Source Incentive Fund (MSIF) expenditures. Revenue and expenditure projections were discussed along with fund balances.

The Committee discussed numerous items in the budget, including security services, proposed overtime expenses, additional revenue generated by permit fees, and the property tax estimates. Director Smith requested that staff go back five years to see what the trend in property tax revenue was. There was also discussion on travel expenses.

Committee Action: The Committee provided direction to staff on the proposed fiscal year 2006/2007 budget.

5. **Proposed Amendments to District Fee Regulation:** *The Committee considered recommending to the Board of Directors that staff proceed with the proposed amendments to the District fee regulation.*

Brian Bateman, Director of Engineering, presented the report and provided background on the District's authority to collect fees; reviewed the proposed fee amendments; provided examples of permit renewal fee increases; and reviewed the rule development schedule. The public hearing and recommendation for adoption by the Board of Directors is scheduled for the June 7, 2006 Regular Board meeting.

Mr. Bateman commented that the proposed fee regulation amendments are in line with the recommendations of the Cost Recovery Study done in 2005.

Speakers: The following individuals spoke on this agenda item:

Dennis Bolt
Western States Petroleum Association(WSPA)
Concord, CA 94518

Dan Phelan
San Francisco, CA

Committee Action: Director Cooper moved that the Committee recommend to the Board of Directors that staff proceed with the proposed amendments to the District's fee regulation; seconded by Director Kwok; carried unanimously without objection.

6. **Committee Member Comments/Other Business.** Board Chair Uilkema requested that staff provide an analysis of the District's interest income at a future meeting of the Committee.
7. **Time and Place of Next Meeting:** 9:45 a.m., Wednesday, May 10, 2006, 939 Ellis Street, San Francisco, California 94109
8. **Adjournment:** The meeting adjourned at 11:21 a.m.

Mary Romaidis
Clerk of the Boards

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

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

From: Jack P. Broadbent
Executive Officer/APCO

Date: May 3, 2006

Re: Continued Discussion of Fiscal Year 2006/2007 Proposed District Budget and
Consideration of Recommended Adoption

RECOMMENDED ACTION:

Consider recommending Board of Directors adoption of the proposed fiscal year 2006/2007 Budget.

BACKGROUND:

The Committee was provided a preliminary overview of the budget at the April 26, 2006 Committee meeting. As directed by Chair Uilkema at the May 3, 2006 regular Board meeting, the Fiscal Year 2006/2007 Budget document was then referred to the Budget and Finance Committee for review and recommendations.

DISCUSSION:

Staff presented the proposed budget for Fiscal Year 2006/2007 at the April 26, 2006 Committee meeting. The proposed budget is balanced with no transfer in from undesignated reserves. General Fund Revenues and Transfers-In from Designated Reserves for PERS Funding, along with Transportation Fund for Clean Air (TFCA) Indirect Cost Recovery and TFCA Revenues and Mobile Source Incentive Fund (MSIF) Indirect Cost Recovery and Revenues are \$62.2 million. Proposed consolidated expenditures are \$62.2 million. Proposed capital requests are \$1,358,087 with projected future year expenditures provided in the five year capital plan (attached). The proposed budget includes a proposed staff increase of 4.17 FTE.

Staff was directed to review and report back to the Committee on the following items:

- Budgeted Overtime.
- Budgeted Travel.
- Projections for increased County Revenue.

Staff will present information on these items at the May 10, 2006 Committee meeting.

Staff published, prior to April 17, 2006, a notice to the general public that the first of two public hearings on the budget will be conducted on May 17, 2006 and that the second hearing will be conducted on June 7, 2006.

BUDGET CONSIDERATION/FINANCIAL IMPACT:

The proposed consolidated budget for FY 2006/2007 is \$62,235,614.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Jeff McKay
Reviewed by: Brian Bunger

Attachment (1)

Five-Year Capital Plan FYE 2007-11

Program	Project Name/Description	2006-07	2007-08	2008-09	2009-10	2010-11
Building & Grounds						
	Replace existing fence with new chain link fence and remote gate in District open parking lot.	23,882				
102	Main lobby refurbishing and upgrade	15,471				
102	Replacing tar & gravel roof on penthouse equipment structure to prevent further water damaged to offices and elevator machinery.	15,860				
	Demo existing hard ceiling and install new T-bar grid ceiling for 2nd and 3rd floor west.					
102		80,977				
102	Life Safety Fire Alarm system upgrade completed	188,704				
102	General Building and Grounds		250,000	200,000	350,000	350,000
102	Install New Carpeting Boardroom/Admin.		95,890			
102	Further ADA Upgrades to 7th floor			120,000		
102	Install New Halogen Lighting all Garages			12,750		
	Total Building & Grounds	\$324,894	\$345,890	\$332,750	\$350,000	\$350,000
Furniture & Fixtures						
102	Furniture/Cubes/Carpet/Paint		150,000	100,000	50,000	50,000
102	Paint and Wallpaper all Ladies/Mens WC			23,880		
104	Reconfigure office space - Admin-4th Floor East		100,000	100,000		
114	Adding Electrical Outlets, Phone Lines, Interior Window			7,500		
114	Carpeting Replacement		10,000			
114	Painting			5,000		
114	Replace Old/Broken Ceiling Panels			2,500		
114	Testing Area		15,000			
114	Filing Cabinet Replacement			10,000		
114	Reception Area Furniture		5,000			
401	Furniture		10,000	10,000	10,000	10,000
402	Furniture		8,000	8,000	8,000	8,000
504	Office Improvements Including Furniture		40,000	40,000	40,000	
	Total Furniture & Fixtures		\$338,000	\$306,880	\$108,000	\$68,000
Computer & Network Equipment						
401	Digital Cameras	14,000				
402	Production Scanner (Document Processing)			20,000		20,000
403	Lap Top Computers	52,000	46,000	46,500	47,000	47,000
706	Computer Workstations	75,000				
706	Networked Storage Solution (SAN)	100,000				
706	Computer Printers	45,000				
706	DATA CENTER REMODEL/NETWORK TOPOLOGY RE-ENGINEERING		300,000	300,000		
706	PBX, TELEPHONE, VOICEMAIL RENOVATION			200,000	200,000	
	Total Computer & Network Equipment	\$286,000	\$346,000	\$566,500	\$247,000	\$67,000
Motorized Equipment						
110	Maintenance Equipment and Shop Tools		45,000	32,000	24,000	18,000
110	New vehicles for Enforcement, Technical and PI&O	148,788	123,980	125,200	128,750	132,700
	Total Motorized Equipment	\$148,788	\$168,980	\$157,200	\$152,750	\$150,700

Five-Year Capital Plan FYE 2007-11

Program	Project Name/Description	2006-07	2007-08	2008-09	2009-10	2010-11
Laboratory & Monitoring Equipment						
401	Q-Rae		3,000	3,000	3,000	3,000
401	Scott Air Pack	7,000	7,000	7,000	7,000	7,000
401	Personal Safety Monitors	3,000				
403	Hand Held Particulate Monitor	6,000				
403	Remote Sensing Camera for Fugitive VOCs	100,000				
403	TVA Analyzers	20,000	20,000	20,000	20,000	20,000
403	Aerocete		6,000	6,000	6,000	6,000
403	Minirae		6,400	6,400	6,400	6,400
403	Vapor Analyzers @\$10,000 Each		10,000	10,000	10,000	10,000
802	Air Monitoring Instruments	129,782				
802	Relocatable Air Monitoring Station	178,682	158,720	164,360	132,150	
802	Build Out of Air Monitoring Station		38,000			
802	16 VPN CISCO Routers	8,000	38,000			
803	Polarizing Light Microscope	17,500				
803	Gas Chromatograph with FID/TCD	30,000				
803	Nitrogen/Zero Air Generator and Hydrogen Generator	18,480				
803	Oven, Temperature Controller, Microbalance Upgrade	5,500				
803	Building Upgrade to allow for gas generators to be housed in the lab storeroom.	11,000				
803	Replacement of Obsolete Instrumentation and Related Equipment		81,500	109,500	94,500	
803	Miscellaneous equipment (<\$3500)		11,000	11,000	11,000	11,000
804	Xontech 910 Sampler	7,920				
804	Hydrocarbon Analyzer	12,790				
804	Combination O2/CO2 Analyzer	8,250				
804	Replacement of Obsolete Instrumentation		45,067			
804	Replacement of Van Instrumentation and Related Equipment			86,000	98,000	
804	Replacement Obsolete Testing Equipment					25,000
805	Replacement of Obsolete Instrumentation and Related Equipment		10,000	10,300	15,609	25,000
807	Instruments for Quality Assurance audits	34,500	19,700	25,800	31,300	
807	Build out of Mobile Surveillance Van			9,000		
	Total Laboratory & Monitoring Equipment	\$598,404	\$454,387	\$468,360	\$434,959	\$113,400
Communications Equipment						
507	Communication Equipment		10,000	10,000	10,000	
	Total Communication Equipment		\$10,000	\$10,000	\$10,000	
Grand Total						
	Building & Grounds	324,894	345,890	332,750	350,000	350,000
	Furniture & Fixtures		338,000	306,880	108,000	68,000
	Computer & Network	286,000	346,000	566,500	247,000	67,000
	Motorized Equipment	148,788	168,980	157,200	152,750	150,700
	Lab & Monitoring	598,404	454,387	468,360	434,959	113,400
	Communication		10,000	10,000	10,000	
		\$1,358,086	\$1,663,257	\$1,841,690	\$1,302,709	\$749,100