



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
JERRY HILL
GAYLE UILKEMA
ROBERTA COOPER
MARLAND TOWNSEND

TUESDAY
DECEMBER 16, 2003
9:30 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 SEPTEMBER 24, 2003**
4. **FIRST QUARTER FINANCIAL REPORT FOR FISCAL YEAR 2003/2004**

W. Tanaka /5066
wtanaka@baaqmd.gov

The Financial Report for the First Quarter of Fiscal Year 2003/2004 will be presented. This will be an informational item only.
5. **REQUEST APPROVAL OF PURCHASE ORDER FOR OFFICE FURNITURE, CUBICLE PARTITIONS AND TRANSFER OF FUNDS FROM FURNITURE RESERVE**

W. Tanaka/5066
wtanaka@baaqmd.gov

Request approval of transfer of funds from the Furniture Reserve and purchase order to Allsteel for workstation partitions and furniture in the amount of \$105,825.
6. **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)
7. **TIME AND PLACE OF NEXT MEETING – JANUARY 28, 2004 939 ELLIS STREET - SF, CA**
8. **ADJOURNMENT**

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

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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
9:30 a.m., Wednesday, September 24, 2003

1. **Call to Order:** Chairperson Miller called the meeting to order at 9:35 a.m.

Roll Call: Julia Miller, Chair, Harold Brown, Chris Daly (9:40 a.m.), Jerry Hill.

Absent: Roberta Cooper, Marland Townsend, Gayle Uilkema.

Also Present: Scott Haggerty.

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

3. **Approval of Minutes of May 7, 2003:** Director Hill moved approval of the minutes; seconded by Director H. Brown; carried unanimously by acclamation.

4. **Fourth Quarter Financial Report for Fiscal Year 2002/2003:** *The Financial Report for the Fourth Quarter of Fiscal Year 2002/2003 was presented.*

Wayne Tanaka, Director of Administrative Services, presented the Fourth Quarter Financial Report for Fiscal Year 2002/2003 and stated that the revenue exceeded expenditures and that the District was under budget with expenditures. Mr. Tanaka reviewed the Statement of Revenue and Statement of Expenditures comparing the budget to actual. Mr. Tanaka noted that the Federal Grants Revenue was 146% of budgeted revenue because items from the prior year are included in the figure. Mr. Tanaka reported that the District had not anticipated the higher interest rates that were received and noted that the investments made by the San Mateo County Treasurer performed better than LAIF.

In reviewing the Statement of Expenditures, Mr. Tanaka noted that the Capital Outlay was at 65% of the estimated expenditures. This is due, in part, to the following:

- 1) Several contracts came in under budget.
- 2) The roof repairs were not done.
- 3) Construction on modeling projects was delayed.
- 4) Of the 20 Prius' the Board approved, payments were made on the 14 that were delivered.
- 5) Due to demand exceeding available supply, six 2003 Prius models were not delivered.

Mr. Tanaka reviewed the income and expenditures of the Transportation Fund for Clean Air (TFCA) fund. In response to a question from Director Brown, Mr. Tanaka commented that

there are a set of specific reserves for the Interest Income receipts, which was done when the Board passed the budget. Mr. Tanaka also noted that the unreserved portion could be used for any future loss of subvention funds. There was some discussion on revenue received from penalties and that there has been an increase in collecting the fines.

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

- 5. Proposed Amendments to District Administrative Code, Division II Fiscal Policies and Procedures:** *The Committee considered staff recommendation to amend Administrative Code, Division II: Fiscal Policies and Procedures. In keeping with best fiscal and business practices, a review of these policies and procedures is appropriate.*

Mr. Tanaka presented the report and stated that this section of the Administrative Code was last amended in 1998 and some parts have not been changed since 1993. A review of practices for other large air quality districts shows that this Air District is not as current as the others in some areas. Some of the proposed changes will increase or eliminate threshold limits. Mr. Tanaka noted that approval of the proposed amendments will streamline the fiscal, purchasing, and contracting process of the District and is in line with the practices of other large air quality management districts.

Committee Action: Director Brown moved the staff recommendation to recommend that the Board of Directors give notice in the Agenda for the October 1, 2003, Regular Meeting of the Board of Directors to consider amendments to Administrative Code Division II, Fiscal Policies and Procedures; seconded by Director Haggerty.

During discussion, William C. Norton, Executive Officer/APCO, noted that these changes would make it easier for staff and the Board. It is staff's responsibility to follow the procedures and rules and the Board would not give up any oversight.

Mr. Tanaka advised the Committee that there was an error on page 9 of the report as follows: Item (i) under (c)(3) should be deleted and item (ii) would then be changed to item (i). The motion was amended to accept the changes to correct the error on page 9 of the report. The motion passed unanimously without objection.

- 6. Committee Member Comments/Other Business.** There were none.
- 7. Time and Place of Next Meeting:** The October 22, 2003 meeting was cancelled. The next meeting of the Committee will be at the Call of the Chair.
- 8. Adjournment:** The meeting adjourned at 10:00 a.m.

Mary Romaidis
Clerk of the Boards

mr

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: December 9, 2003

Re: First Quarter Financial Report

RECOMMENDED ACTION:

Informational report. Receive and file.

DISCUSSION

GENERAL FUND BUDGET: STATEMENT OF REVENUE

Comparison of Budget to Actual Revenue

- County Revenue receipts were \$348,968 (2%) of budgeted revenue. Alameda accounted for the majority of the receipts received.
- Permit Fee receipts were \$9,433,019 (55%) of budgeted revenue.
- Asbestos Fees were \$368,832 (29%) of budgeted revenue.
- Penalties and Settlements receipts were \$685,153 (48%) of budgeted revenue.
- Interest Income receipts were \$162,158 (34%) of budgeted revenue.
- Miscellaneous Revenue was \$94,408 (54%) of budgeted revenue.

GENERAL FUND BUDGET: STATEMENT OF EXPENDITURES

Comparison of Budget to Actual Expenditures

- Salaries and Benefits were \$8,292,181 (27%) of estimated expenditures.
- Operational Services and Supplies were \$1,191,556 (13%) of estimated expenditures.
- Capital Outlay was \$280,530 (10%) of estimated expenditures.

TFCA FUND: STATEMENT OF INCOME AND EXPENDITURES

- Total Revenue was \$1,072,211 (22%) of estimated revenue and expenditures.
- In keeping with TFCA Fund requirements, expenditures must equal revenue.
- Salary and Benefits were \$311,487 (27%) of estimated expenditures.
- Operational Services and Supplies were \$760,724 (24%) of estimated expenditures.

BUDGET CONSIDERATION/FINANCIAL IMPACT

No impact on current year budget.

Respectfully submitted,

Wayne Tanaka
Director of Administrative Services

Prepared by: Wayne Tanaka

FORWARDED _____

**STATEMENT OF REVENUE
GENERAL FUND
As of September 30, 2003 and September 30, 2002**

REVENUES	Budget FY 2004	Received to Date September 30, 2003	Receipts as Percent of Budget FY 2004	Received to Date September 30, 2002	Variance Received to Date FY 2004 vs FY 2003
County Revenue					
Alameda County	2,825,000	324,915	12%	330,646	(5,731)
Contra Costa County	1,900,000	3,295	0%	48	3,247
Marin County	755,000	0	0%	212	(212)
Napa County	465,000	0	0%	0	0
San Francisco County	2,050,000	794	0%	0	794
San Mateo County	2,350,000	8,964	0%	14,037	(5,073)
Santa Clara County	4,020,000	11,000	0%	11,692	(692)
Solano County	402,000	0	0%	0	0
Sonoma County	760,000	0	0%	0	0
Sub Total	15,527,000	348,968	2%	356,635	-7,667
Permit, Title V & AB 2588 Fees	17,086,130	9,433,019	55%	9,857,187	(424,168)
Asbestos Fees	1,270,000	368,832	29%	377,338	(8,506)
Soil Aeration Fees	6,000	660	11%	440	220
Hearing Board Fees	35,000	4,888	14%	17,357	(12,469)
Penalties & Settlements	1,700,000	730,813	43%	793,654	(62,841)
Federal Grant Current & Prior Year	1,415,000	685,153	48%	182,919	502,234
Federal - 103 Grant/Supplemental Funding	776,065	0	0%	0	0
CMAQ Funding	1,228,400	0	0%	0	0
State Subvention	1,863,870	0	0%	0	0
California Energy Commission/Carl Moyer	285,000	0	0%	0	0
Interest Income	475,000	162,758	34%	152,183	10,575
Miscellaneous Revenue	175,000	94,408	54%	441,054	(346,646)
District Service Revenue	15,000	478	3%	1,260	(782)
TOTAL OTHER GENERAL FUND REVENUE	26,330,465	11,481,009	44%	11,823,392	-342,383
Transfers In					
Reserve for Contingencies	0	0	0%	0	0
TFCA Cost Recover	564,610	0	0%	0	0
TOTAL TRANSFER IN	564,610	0	0%	0	0
Transfer Out					
Fund Balance Available	(4,848)	0	0%	0	0
TOTAL REVENUE & TRANSFERS	42,417,227	11,829,977	28%	12,180,027	-350,050

STATEMENT OF EXPENDITURES
GENERAL FUND
As of September 30, 2003 and September 30, 2002

EXPENDITURES

	Budget FY 2004	Expended to Date September 30, 2003	Expended as % of Budget FY 2004	Expended to Date September 30, 2002	Variance Expended to Date FY 2004 vs 2003
Personnel Expenditures					
Permanent Salaries	24,498,795	7,020,723	29%	6,051,421	969,302
Overtime Salaries	147,979	4,403	3%	42,008	(37,605)
Temporary Salaries	144,059	11,448	8%	19,628	(8,180)
Payroll Taxes	236,792	54,426	23%	72,090	(17,664)
PERS	9,263	3,805	41%	2,000	1,805
FICA Replacement Benefits	1,378,275	293,278	21%	265,404	27,874
Group Insurances	3,343,997	747,281	22%	589,386	157,895
Employee Transportation Subsidy	194,059	43,814	23%	44,951	(1,137)
Worker Compensation	424,477	91,256	21%	86,315	4,941
Fees	113,040	21,747	19%	21,251	496
TOTAL PERSONNEL EXPENDITURES	30,490,736	8,292,181	27%	7,194,454	1,097,727
Operation Expenditures					
Transportation and Travel	203,458	11,960	6%	17,113	(5,153)
Training & Education	296,569	5,017	2%	6,630	(1,613)
Maintenance of Equipment	338,511	48,111	14%	27,055	21,056
Communications	336,588	65,649	20%	39,011	26,638
Maintenance of Building	283,140	56,362	20%	51,717	4,645
Utilities	372,066	96,142	26%	66,003	30,139
Postage	187,916	26,940	14%	34,598	(7,658)
Printing & Reproduction	479,565	41,244	9%	18,707	22,537
Rental of Equipment	224,276	32,732	15%	41,253	(8,521)
Rents & Leases	883,280	216,443	25%	209,878	6,565
Professional Services	3,950,105	385,731	10%	307,557	78,174
Insurance	533,500	89,802	17%	217,859	(128,057)
Shop & Field Supplies	238,387	25,850	11%	13,347	12,503
Laboratory Supplies	55,426	12,047	22%	9,427	2,620
Fuels	229,280	23,610	10%	20,723	2,887
Computer Hardware & Software	184,927	18,420	10%	18,999	(579)
Office Supplies	164,748	27,899	17%	38,079	(10,180)
Books, Journals & Subscriptions	104,668	4,523	4%	4,785	(262)
Minor Office Equipment	43,651	3,074	7%	1,278	1,796
Depreciation and Amortization	0	0	0%	0	0
Allocated Indirect Cost	0	0	0%	0	0
TOTAL OPERATION EXPENDITURES	9,110,061	1,191,556	13%	1,144,019	47,537
Capital Budget					
Office Equipment	0	0	0%	0	0
Computer Equipment	1,908,000	167,642	9%	18,566	149,076
Bulding & Grounds	778,830	86,524	11%	8,303	78,221
Vehicle Fleet	129,600	0	0%	0	0
Laboratory & Monitoring Equipment	0	26,364	0%	2,267	24,097
Communications Equipment	0	0	0%	0	0
TOTAL CAPITAL BUDGET EXPENDITURES	2,816,430	280,530	10%	29,136	251,394
TOTAL EXPENDITURES	42,417,227	9,764,267	23%	8,367,609	1,396,658

STATEMENT OF REVENUE and EXPENDITURES
TRANSPORTATION FUND FOR CLEAN AIR
As of September 30, 2003 and September 30, 2002

REVENUES	Budget FY 2004	Received to Date September 30, 2003	Received as % of Budget FY 2004	Received to Date September 30, 2002	Variance Received to Date FY 2004 vs 2003
AB 434 Administrative Income	950,853	168,250	18%	164,284	3,966
AB 434 Project Income	4,007,264	903,961	23%	861,826	42,135
TOTAL REVENUE	4,958,117	1,072,211	22%	1,026,110	46,101

EXPENDITURES	Budget FY 2004	Expended to Date September 30, 2003	Received as % of Budget FY 2004	Expended to Date September 30, 2002	Variance Received to Date FY 2004 vs 2003
Personnel Expenditures					
Permanent Salaries	970,288	260,690	27%	297,174	(36,484)
Temporary Salaries	18,252	3,058	17%	6,622	(3,564)
Overtime Salaries	0	0	0%	0	0
Payroll Taxes	9,490	2,238	24%	3,446	(1,208)
FICA Replacement Benefits	57,559	11,213	19%	12,512	(1,299)
Group Insurances	80,120	28,689	36%	12,601	16,088
Employee Transit Subsidy	9,912	1,814	18%	2,171	(357)
Workers Compensation	16,391	3,785	23%	4,249	(464)
		0			
TOTAL PERSONNEL EXPENDITURES	1,162,012	311,487	27%	338,775	(27,288)

Operation Expenditures

Transportation & Travel	12,160	1,023	8%	1,056	(33)
Training & Education	3,550	250	7%	500	(250)
Communications	5,200	1,251	24%	1,482	(231)
Postage	14,600	3,560	24%	0	3,560
Printing & Reproduction	97,500	18,690	19%	47,270	(28,580)
Rental of Equipment	8,000	0	0%	0	0
Professional & Special Services	2,979,000	735,800	25%	637,027	98,773
Shop & Field Supplies	700	0	0%	0	0
Computer Hardware & Software	1,000	0	0%	0	0
Office Supplies	1,260	125	10%	0	125
Books & Journals	450	25	6%	0	25
Minor Office Equipment	0	0	0%	0	0
Depreciation and Amortization	0	0	0%	0	0
Allocated Indirect Cost	0	0	0%	0	0
TOTAL OPERATION EXPENDITURES	3,123,420	760,724	24%	687,335	73,389

Capital Outlay

Motorized Equipment & Radio	4,500	0	0%	0	0
TOTAL CAPITAL OUTLAY	4,500	0	0%	0	0
TOTAL EXPENDITURES	4,289,932	1,072,211	25%	1,026,110	46,101

% of Variance

-2%
99%
0%
0%
100%
-57%
-6%
0%
0%

-4%
-2%
33%
-255%
-9%
73%
0%
0%
0%
0%
6%
-367%
-164%

-3%

0%
0%

0%

0%

-3%

% of Variance

14%
-854%
-71%
-32%
47%
10%
21%
-3%
5%
2%

13%

-43%
-32%
44%
41%
8%
31%
-28%
55%
-26%
3%
20%
-143%
48%
22%
12%
-3%
-36%
-6%
58%
0%
0%

4%

100%
89%
90%
100%
91%
0%

90%

14%

% of Variance

2%

5%

4%

% of Variance

-14%

-117%

0%

-54%

-12%

56%

-20%

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-18%

100%

-153%

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4%

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: November 20, 2003

Re: Request Approval of Purchase Order and Transfer from Furniture Reserve

RECOMMENDED ACTION:

Approve requests for a purchase order to Allsteel in the amount of \$105,825, a transfer of funds in the above amount from the Furniture Reserves, and amend the FY 2003/2004 Capital Budget.

DISCUSSION

Due to the reorganization initiated by William C. Norton in July of this year, the Field Engineering section from the Compliance and Enforcement Division will be relocating to the Engineering Division located on the 3rd floor, necessitating the creation of workstations for the affected staff. Additionally, there is a need to create new workstations, and replace others. The proposed replacement will retire office furniture that is over 20 years old, some of which was purchased used. Sufficient funds are contained in the Reserve for Furniture to cover this expenditure.

The following three bids for this project was received from the vendors listed below:

	<u>Allsteel</u>	<u>Knoll Systems</u>	<u>Herman Miller</u>
17 Modular Offices	\$105,825	\$125,120	\$127,245

Staff recommends that Allsteel be selected as the vendor based on competitive pricing, warranty, and its known reputation.

BUDGET CONSIDERATION/FINANCIAL IMPACT

The FY 2003/2004 Capital Budget will be increased by \$105,825 with a transfer from the Reserve for Furniture Replacement.

Respectfully submitted,

Wayne Tanaka
 Director of Administrative Services

Prepared by: Wayne Tanaka

FORWARDED _____