



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

AGENDA: 3

Proposed Fiscal Year End 2015 Budget

Board of Directors

May 21, 2014

Jeff McKay

Deputy Air Pollution Control Officer



OUTLINE

- Status of Current Year (Fiscal Year End 2014)
- Overview of Revenue and Expenditure FYE 2015
- Detailed Review of Revenue and Expenditure



Revenue Projections for Current Fiscal Year FYE 2014

Out of \$64 M Budget

As of April, 2014:

- Permit Fee revenue slightly under budget
- Property Tax revenue on target
- Expenditures on target

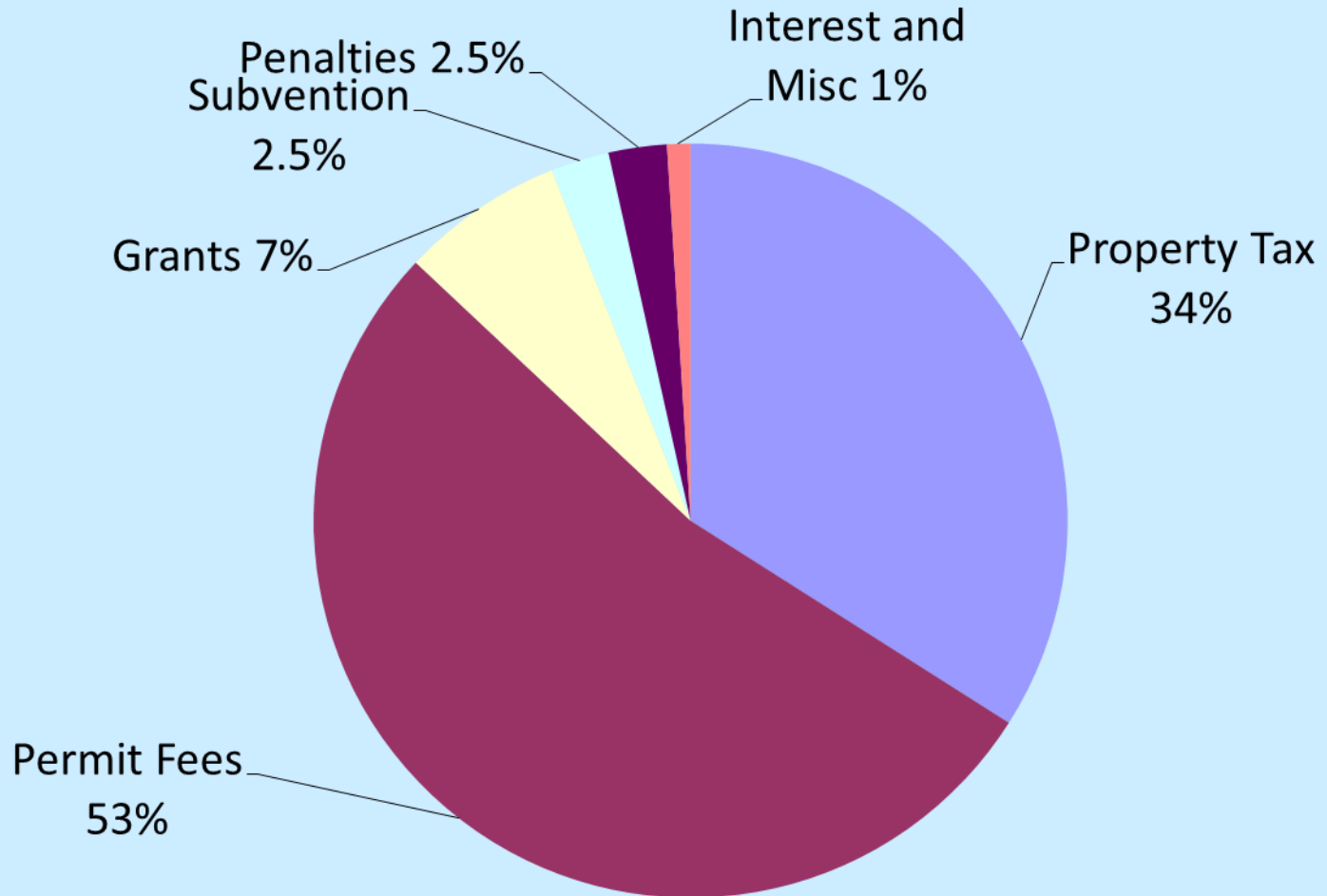
OVERVIEW

Proposed Budget for FYE 2015

- \$ 65.6 M General Fund Budget
- Incorporates Cost Recovery Policy
- New GHG Funding for 4 new positions
- Hire Staff: From 310 to 329 filled positions
- Addresses Retirement Liabilities
- Anticipates new EA Contract
- Reserves Allocated for some Capital Items

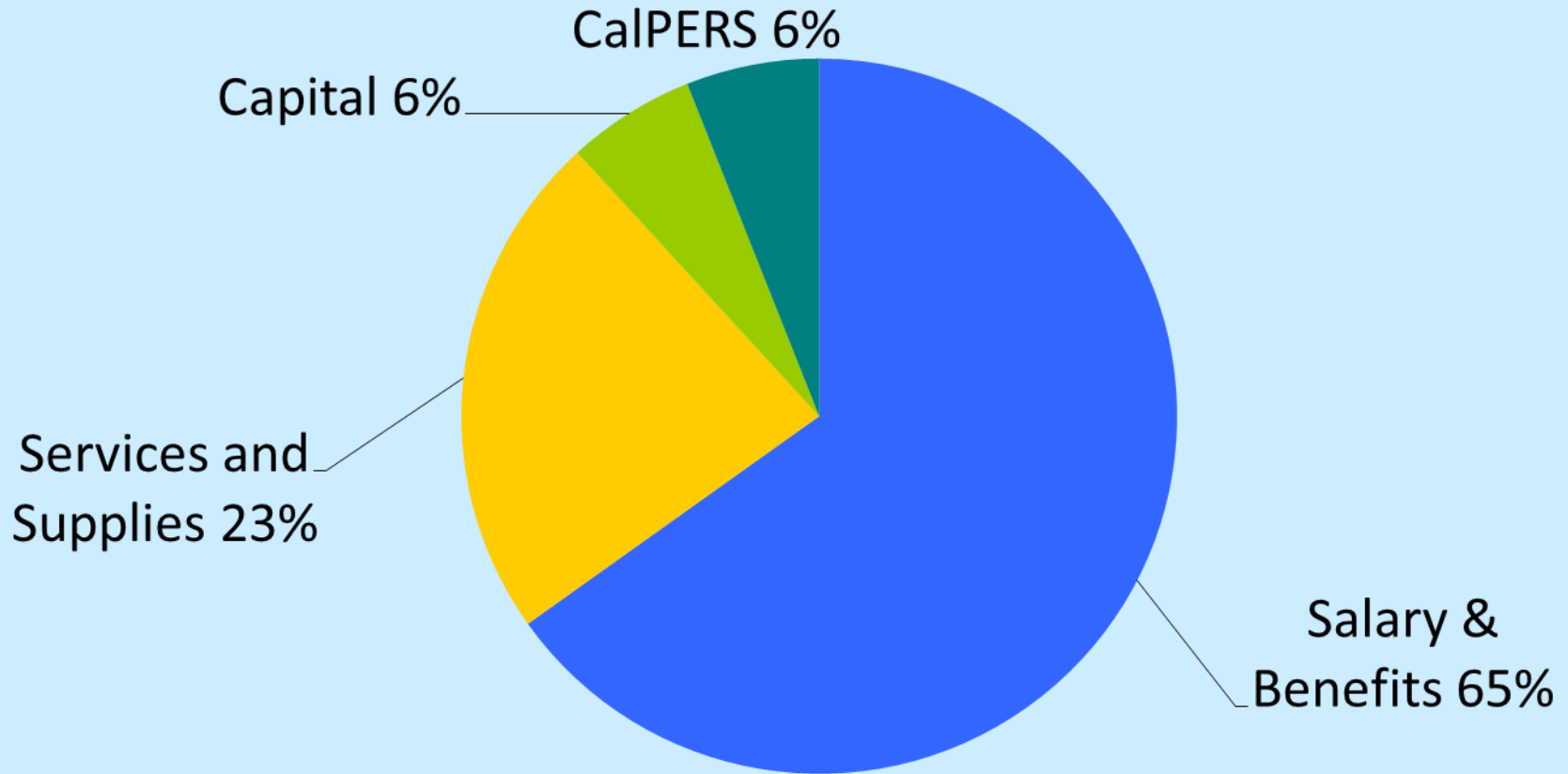


GENERAL FUND REVENUE SOURCES (FYE 2015 PROPOSED BUDGET)



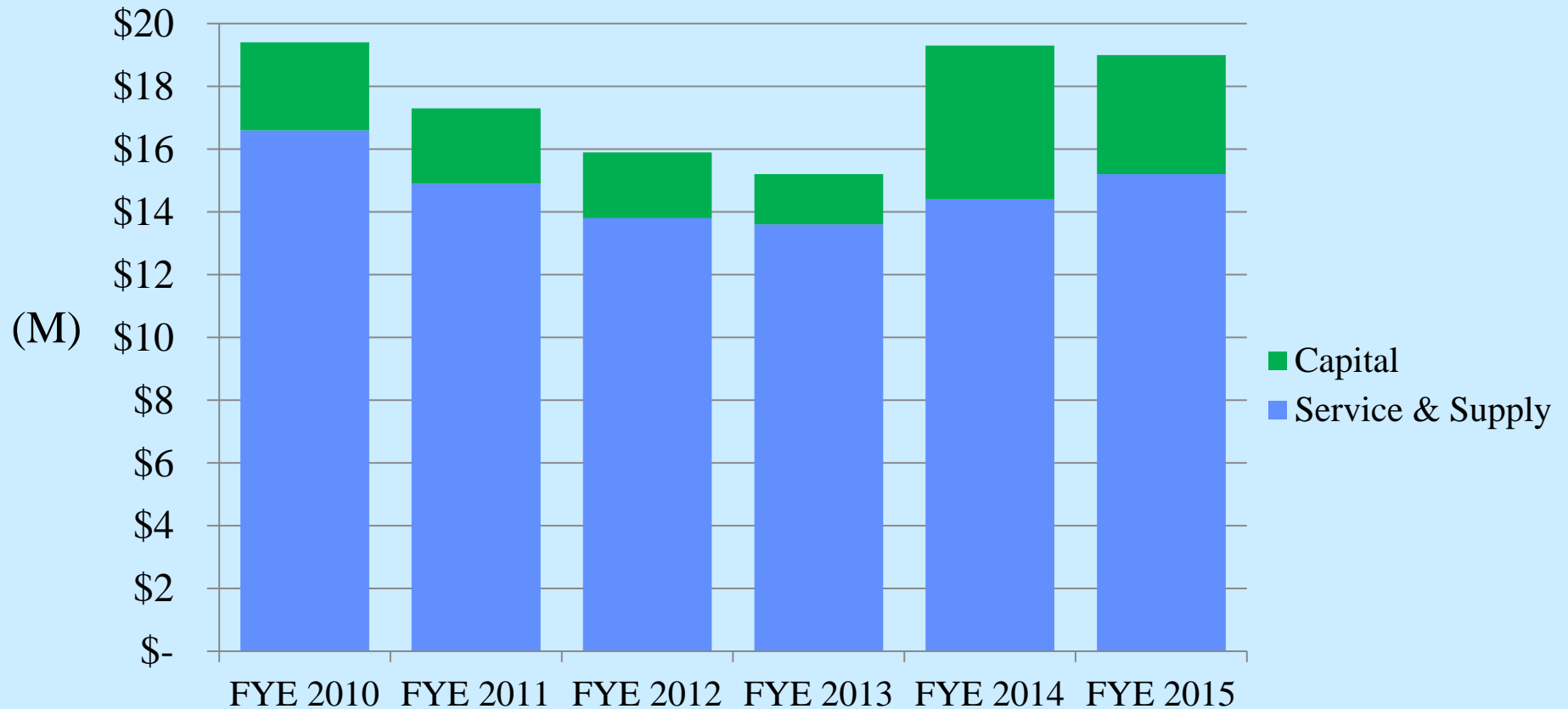


GENERAL FUND EXPENDITURES (FYE 2015 PROPOSED BUDGET)





EXPENSE and CAPITAL

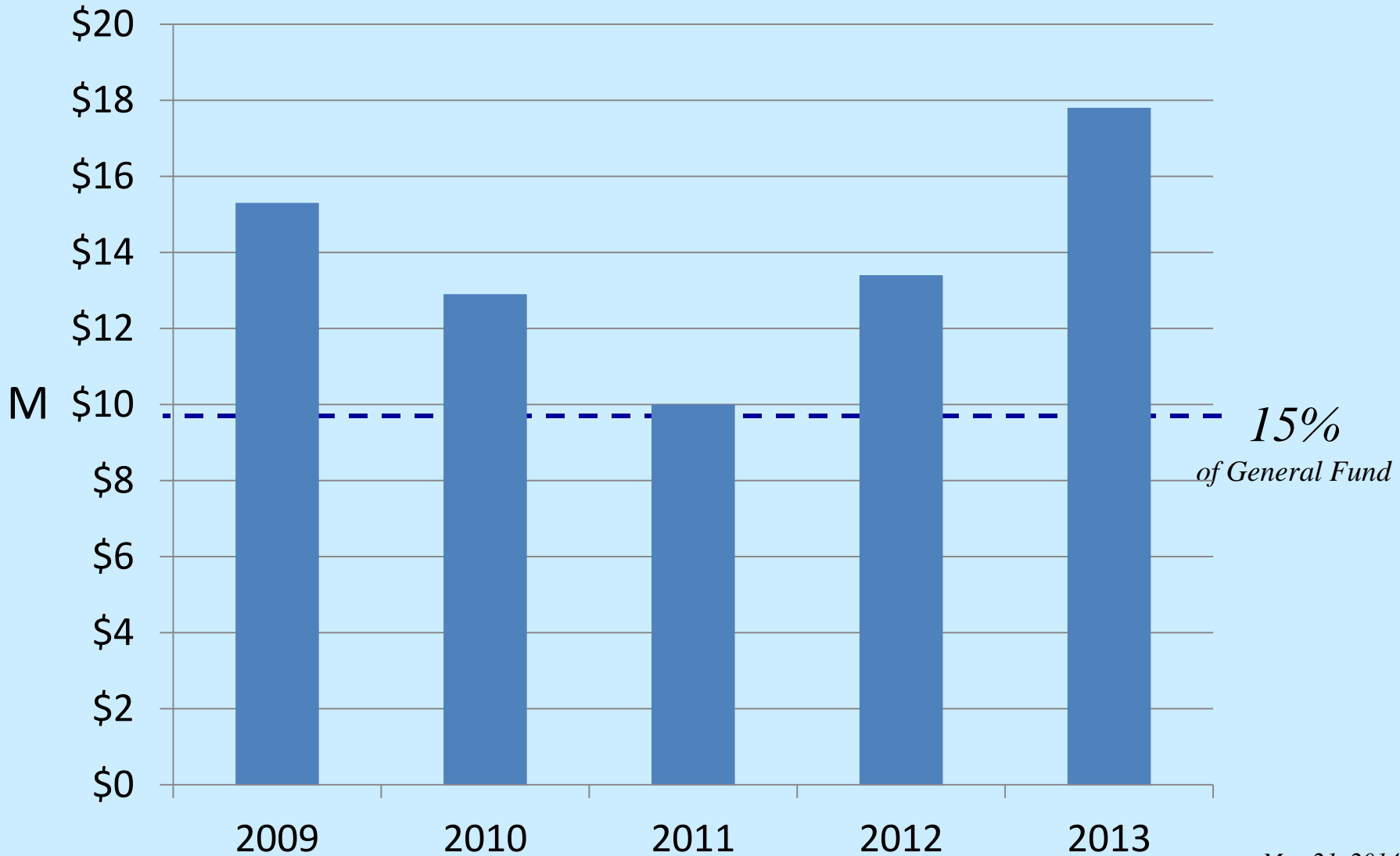


	<u>FYE 2010</u>	<u>FYE 2011</u>	<u>FYE 2012</u>	<u>FYE 2013</u>	<u>FYE 2014</u>	<u>FYE 2015</u>
Service & Supply	\$ 16.6	\$ 14.9	\$ 13.8	\$ 13.6	\$ 14.4	\$ 15.2
Capital	\$ 2.8	\$ 2.4	\$ 2.1	\$ 1.6	\$ 4.9	\$ 3.8
Total	\$ 19.40	\$ 17.30	\$ 15.90	\$ 15.20	\$ 19.30	\$ 19.00



DISTRICT RESERVE FUNDS

Audited Values



RESERVES DESIGNATED FOR SPECIFIC CAPITAL ITEMS

JD Edwards Software Upgrade	\$ 1,000,000
IT-Desktop Equipment	\$ 500,000
IT-Event Response	\$ 500,000
GHG Monitoring Equipment	\$ 360,900
Meteorological Network Equipment	\$ 417,100
Mobile Monitoring Instruments	\$ 450,000



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CURRENT STAFFING LEVELS

Total Authorized	365
Current Level	310
Current Vacancies	55



STRATEGIC STAFFING PRINCIPLES

- Ensure mandated programs are supported
- Hire for positions that will enhance operational efficiencies in the future
- Hire to advance policy direction from the Board
- Implement 10-Point Climate Action Work Plan
- Identify shared services efficiencies for upcoming move
- Continually evaluate priorities



STAFFING CONSIDERATIONS

- Reviewed the Agency from the ground up
- Executive Management Input
- Evaluated needs to meet our goals and decided to fill 15 vacancies



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FILL VACANCIES

Division	Title
Planning	Rule Development Manager
Planning	Senior Advanced Projects Advisor
Technical	Administrative Secretary
Technical	Air Quality Instrument Specialist
Compliance & Enforcement	Air Quality Inspector (5)
Compliance & Enforcement	Secretary
Administration	Human Resources Analyst
Engineering	Air Quality Engineering Manager
Engineering	Senior Air Quality Engineer
Information Services	Information Services Manager
Information Services	Air Quality Instrument Specialist



CLIMATE PROGRAM STAFFING

- Implementation of the Air District's 10-Point Climate Action Work Plan
- The Air District's ground breaking GHG Fee will be modified in FYE 2015 Budget
 - An increase of 4.6 cents per ton of GHG
- 4 Positions
 - Planning (2)
 - Inspection (1)
 - Technical (1)



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STAFFING LEVELS IN FYE 2015

Current Filled Positions	310
Fill Current Vacant Positions	15
Climate Protection Positions	4
Total Budgeted Positions	329



FEES

- Third year of Cost Recovery Policy
- Average 6.4% Fee increase in FYE 2015 budget
- Additional GHG Fees to cover new programs
- Strong involvement by Regulated Community



UNFUNDED LIABILITIES

- CalPERS Retirement
 - \$220 M Obligation
 - \$59 M Unfunded

- OPEB Medical
 - \$51 M Obligation
 - \$32 M Unfunded



UNFUNDED LIABILITIES RESPONSE

- CalPERS may increase required contributions from about 12% of salary to about 20% of salary over five years.
- OPEB Medical – District has increased contribution to \$3 M.



SCHEDULE

- April 23, 2014
 - Budget & Finance Committee recommends Budget
- April 16, 2014
 - Board of Directors Public Hearing on Fees
- May 21, 2014
 - Board of Directors Public Hearing on Budget
- June 4, 2014
 - BOD second public hearing: Fees and Budget



SUMMARY

Budget FYE 2015

- Budget balanced
- Current 310 positions increased to 329 in Budget
- Other Post-Employment Benefits (OPEB):
 - Contribution increased to \$3 M