



BOARD OF DIRECTORS
BUDGET AND FINANCE COMMITTEE MEETING

COMMITTEE MEMBERS

BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

DAVE HUDSON – CHAIRPERSON
JOHN GIOIA
ERIC MAR
MARK ROSS
SHIRLEE ZANE

KATIE RICE – VICE CHAIRPERSON
LIZ KNISS
NATE MILEY
BRAD WAGENKNECHT

MONDAY
DECEMBER 7, 2015
9:30 A.M.

7th FLOOR BOARD ROOM
939 ELLIS STREET
SAN FRANCISCO, CA 94109

AGENDA

1. **CALL TO ORDER - ROLL CALL**

The Committee Chair shall call the meeting to order and the Clerk of the Boards shall take roll of the Committee members.

2. **PUBLIC COMMENT ON NON-AGENDA MATTERS**

(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 Air District headquarters, 939 Ellis Street, San Francisco, CA, and on the Air District's website www.baaqmd.gov 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.

Staff/Phone (415) 749-

3. **APPROVAL OF THE MINUTES OF APRIL 22, 2015**

Clerk of the Boards/5073

The Committee will consider approving the draft minutes of the Board of Directors Budget and Finance Committee Meeting of October 28, 2015.

4. **FOURTH QUARTER PRELIMINARY FINANCIAL REPORT – FISCAL YEAR ENDING (FYE) 2015**

J. McKay/4629

jmckay@baaqmd.gov

The Committee will receive a preliminary update on the Air District's financial results for the fourth quarter of FYE 2015.

5. **FIRST QUARTER FINANCIAL REPORT – FISCAL YEAR ENDING (FYE) 2016**

J. McKay/4629
jmckay@baaqmd.gov

The Committee will receive an update on the Air District's financial results for the first quarter of FYE 2016.

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**

Wednesday, January 27, 2016, Bay Area Air Quality Management District Office, 939 Ellis Street, San Francisco, California 94109 at 9:30 a.m.

8. **ADJOURNMENT**

The Committee meeting shall be adjourned by the Committee Chair.

CONTACT:

MANAGER, EXECUTIVE OPERATIONS
939 ELLIS STREET, SAN FRANCISCO, CA 94109
mmartinez@baaqmd.gov

(415) 749-5016
FAX: (415) 928-8560
BAAQMD homepage:
www.baaqmd.gov

- To submit written comments on an agenda item in advance of the meeting. Please note that all correspondence must be addressed to the “Members of the Budget and Finance Committee” and received at least 24 hours prior, excluding weekends and holidays, in order to be presented at that Committee meeting. Any correspondence received after that time will be presented to the Committee at the following meeting.
- To request, in advance of the meeting, to be placed on the list to testify on an agenda item.
- **Accessibility and Title VI:** The Air District provides services and accommodations upon request to persons with disabilities and individuals who are limited-English proficient who wish to address Board matters. For accommodations or translations assistance, please call 415-749-5016 at least three days in advance of a meeting, so that arrangements can be made accordingly.

Accesibilidad y Título VI: El Distrito del Aire ofrece servicios y realiza las adaptaciones necesarias para las personas con discapacidades y para las personas con un dominio limitado del inglés siempre que estos servicios se soliciten y se deseen tratar asuntos relacionados con la Junta. Si necesita ayuda con algún tipo de adaptación o traducción, llame al 415-749-5016 como mínimo tres días antes de la reunión de manera que puedan realizarse las adaptaciones necesarias.

Magagamit na Tulong at Título VI: Nagbibigay ang Air District ng mga serbisyo at mga akomodasyon, kapag hiniling, sa mga taong may kapansanan at mga taong limitado ang kakayahan sa Ingles na gustong magpahayag tungkol sa mga usapin sa harap ng Lupon. Para sa mga tulong sa akomodasyon o sa pagsasalin, mangyaring tumawag sa 415-749-5016 nang tatlong araw man lamang na una pa sa miting, para makapaghandang ayon sa pangangailangan.

可及度及標題VI: 空氣管理局根據申請為殘障人士和英語熟練程度有限但卻希望參與董事會事宜的人員提供服務和住宿。關於住宿或者翻譯幫助，請至少在會議之前三天致電 415-749-5016，以便作出相應安排。

Tạo Khả Năng Truy Cập và Chương VI: Đặc Khu cung cấp dịch vụ và phương tiện đáp ứng, khi có yêu cầu, cho những người bị khuyết tật và cho những cá nhân không thông thạo Anh ngữ muốn được tham gia các vấn đề của Hội Đồng. Để được phương tiện đáp ứng hoặc trợ giúp phiên dịch, xin gọi số 415-749-5016 ít nhất ba ngày trước khi có hội thảo, để tiện bố trí các phương tiện

Any writing relating to an open session item on this Agenda that is distributed to all, or a majority of all, members of the body to which this Agenda relates shall be made available at the District’s offices at 939 Ellis Street, San Francisco, CA 94109, at the time such writing is made available to all, or a majority of all, members of that body.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
939 ELLIS STREET, SAN FRANCISCO, CALIFORNIA 94109
FOR QUESTIONS PLEASE CALL (415) 749-5016 or (415) 749-4941

EXECUTIVE OFFICE:
MONTHLY CALENDAR OF AIR DISTRICT MEETINGS

DECEMBER 2015

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Regular Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)</i> - CANCELLED	Wednesday	2	9:45 a.m.	Board Room
Board of Directors Mobile Source Committee <i>(Meets on the 4th Thursday of each Month)</i>	Wednesday	2	9:30 a.m.	Board Room
Council Meeting <i>(At the Call of the Chair)</i>	Thursday	3	9:30 a.m.	Board Room
Board of Directors Budget & Finance Committee <i>(Meets on the 4th Wednesday of each Month)</i>	Monday	7	9:30 a.m.	Board Room
Board of Directors Executive Committee <i>(Meets on the 3rd Monday of each Month)</i>	Monday	14	9:30 a.m.	Board Room
Board of Directors Ad Hoc Building Committee <i>(At the Call of the Chair)</i>	Monday	14	11:00 a.m.	Board Room
Board of Directors Regular Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)</i>	Wednesday	16	9:45 a.m.	Board Room
Board of Directors Stationary Source Committee <i>(Meets on the 3rd Monday of each Month)</i> CANCELLED	Monday	21	10:30 a.m.	Board Room
Board of Directors Budget & Finance Committee <i>(Meets on the 4th Wednesday of each Month)</i> - CANCELLED	Wednesday	23	9:30 a.m.	Board Room
Board of Directors Mobile Source Committee <i>(Meets on the 4th Thursday of each Month)</i> - CANCELLED	Thursday	24	9:30 a.m.	Board Room

JANUARY 2016

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Regular Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)</i>	Wednesday	6	9:45 a.m.	Board Room
Board of Directors Executive Committee <i>(Meets on the 3rd Monday of each Month)</i>	Monday	18	9:30 a.m.	Board Room
Board of Directors Stationary Source Committee <i>(Meets on the 3rd Monday of each Month)</i>	Monday	18	10:30 a.m.	Board Room

JANUARY 2016

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Special Board of Directors Meeting / Retreat <i>(Meets on the 1st & 3rd Wednesday of each Month)</i>	Wednesday	20	9:45 a.m.	<u>Location:</u> Port of San Francisco Bayside Room Pier 1 San Francisco, CA 94111
Board of Directors Climate Protection Committee <i>(Meets 3rd Thursday of every other Month)</i>	Thursday	21	9:30 a.m.	Board Room
Board of Directors Budget & Finance Committee <i>(Meets on the 4th Wednesday of each Month)</i>	Wednesday	27	9:30 a.m.	Board Room
Board of Directors Mobile Source Committee <i>(Meets on the 4th Thursday of each Month)</i>	Thursday	28	9:30 a.m.	Board Room

FEBRUARY 2016

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Regular Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)</i>	Wednesday	3	9:45 a.m.	Board Room
Board of Directors Executive Committee <i>(Meets on the 3rd Monday of each Month)</i>	Monday	15	9:30 a.m.	Board Room
Board of Directors Stationary Source Committee <i>(Meets on the 3rd Monday of each Month)</i>	Monday	15	10:30 a.m.	Board Room
Board of Directors Regular Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)</i>	Wednesday	17	9:45 a.m.	Board Room
Board of Directors Budget & Finance Committee <i>(Meets on the 4th Wednesday of each Month)</i>	Wednesday	24	9:30 a.m.	Board Room
Board of Directors Mobile Source Committee <i>(Meets on the 4th Thursday of each Month)</i>	Thursday	25	9:30 a.m.	Board Room

HL – 12/1/15 (1:50 p.m.)

G/Board/Executive Office/Moncal

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson David Hudson and Members
of the Budget and Finance Committee

From: Jack P. Broadbent
Executive Officer/Air Pollution Control Officer

Date: November 25, 2015

Re: Approval of the Minutes of April 22, 2015

RECOMMENDED ACTION

Approve the attached draft minutes of the Budget and Finance Committee (Committee) meeting of April 22, 2015.

DISCUSSION

Attached for your review and approval are the draft minutes of the Committee meeting of April 22, 2015.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Sean Gallagher
Reviewed by: Maricela Martinez

Attachment: Draft Minutes of the Committee Meeting of April 22, 2015

AGENDA: 3 – ATTACHMENT

Draft Minutes – Budget and Finance Committee Meeting of April 22, 2015

Bay Area Air Quality Management District
939 Ellis Street
San Francisco, California 94109
(415) 749-5073

DRAFT MINUTES

Summary of Board of Directors
Budget and Finance Committee Meeting
Wednesday, April 22, 2015

1. CALL TO ORDER – ROLL CALL

Chairperson David Hudson called the meeting to order at 9:35 a.m.

Present: Chairperson David Hudson; Vice-Chairperson Katie Rice; and Directors Liz Kniss, Eric Mar, Nate Miley, Mark Ross and Brad Wagenknecht.

Absent: Directors John Gioia and Shirlee Zane.

Also Present: None.

2. THIRD QUARTER FINANCIAL REPORT – FISCAL YEAR ENDING (FYE) 2015 (OUT OF ORDER AGENDA ITEM 5)

Stephanie Osaze, Finance Manager, gave the staff presentation *Third Quarter Financial Report FYE 2015*, including an overview of general fund revenues and expenses; revenue and expense year-over-year comparisons; investments; general fund balance; purchasing reporting requirements; and cumulative vendor payments in excess of \$70,000 for Board of Directors (Board) review.

Budget and Finance Committee (Committee) Comments: None.

Public Comments: No requests received.

Committee Action: None; receive and file.

3. PUBLIC COMMENT ON NON-AGENDA MATTERS (AGENDA ITEM 2)

No requests received.

4. CONTINUED DISCUSSION OF FYE 2016 PROPOSED AIR DISTRICT BUDGET AND CONSIDERATION TO RECOMMEND ADOPTION

Jeff McKay, Deputy Air Pollution Control Officer (DAPCO), gave the staff presentation *Proposed FYE 2016 Budget*, including revenue projections for FYE 2015; overviews of the reserve funds and transfers, proposed budget, general fund revenue sources, and general fund

expenditures for FYE 2016; year-over-year analysis of services and supplies and capital; proposed fees; climate program staffing; overall staffing level; FYE 2016 fund balance summary; use of reserves recommendations; fund balance policy; unfunded liabilities; motivation to pre-fund California Public Employee Retirement System (CalPERS) obligations; office building obligations; recommendations; and next steps.

NOTED PRESENT: Director Kniss was noted present at 9:47 a.m.

The Committee and staff discussed, at slide 18, *Motivation Pre-Fund CalPERS*, possible methods for smoothing the CalPERS payments year-over-year.

NOTED PRESENT: Director Miley was noted present at 9:59 a.m.

Mr. McKay concluded the presentation.

Committee Comments:

The Committee and staff discussed the current and next year's anticipated reserves levels; whether a reserves ceiling is advisable and the proper time for that discussion; reserves with designated uses; justification for the currently proposed fee increase despite the current reserves; the staff desire to maintain reserves to support the developing wood smoke incentives initiative, work on the integration of greenhouse gases in the Air District regulations and completion of the office headquarters move; the importance of an explicit discussion with the Board and public regarding a strategic approach to expenditure and retention of reserves in combination with increased fees; clarification of the current and future lease obligation for 939 Ellis Street; anticipated move date of January or February 2016 and the primary cause of the delay; the importance of knowing the current level of returns from CalPERS; support for a policy setting minimum reserve levels at 20%; whether the "use of reserves to fund one-time capital purchases" is consistent with past practice; the viability of establishing an enhanced parking district and a related bill introduced by Senator Jim Beall; the vision for the suggested \$1 million wood smoke reduction incentives, as was frequently requested in recent rulemaking workshops; support for a multi-year wood smoke reduction incentives program; a suggestion to leverage Air District incentives with PG&E programs for additional support; and the likely number of households in the Bay Area with a fireplace.

NOTED PRESENT: Director Mar was noted present at 10:09 a.m.

Public Comments: No requests received.

Committee Action:

Chairperson Hudson made a motion, seconded by Director Kniss, to recommend the Board:

1. Adopt the FYE 2016 Proposed Budget;
2. Change Reserve Policy to 20% of the General Fund Budget; and
3. Establish a 90% minimum funding target policy for Other Post-Employment Benefits.

Committee Comments (continued):

The Committee and staff discussed a request for more detailed information on the developing wood smoke reduction incentives program at the upcoming Board meeting and after, as more details become available.

Committee Action (continued):

The public hearing was closed.

The motion carried by the following vote of the Committee:

AYES: Hudson, Kniss, Mar, Miley, Rice, Ross and Wagenknecht.
NOES: None.
ABSTAIN: None.
ABSENT: Gioia and Zane.

5. APPROVAL OF THE MINUTES OF MARCH 25, 2015 (AGENDA ITEM 3)

Committee Comments: None.

Public Comments: No requests received.

Committee Action:

Director Kniss made a motion, seconded by Director Wagenknecht, to approve the Minutes of March 25, 2015; and the motion carried by the following vote of the Committee:

AYES: Hudson, Kniss, Mar, Miley, Rice, Ross and Wagenknecht.
NOES: None.
ABSTAIN: None.
ABSENT: Gioia and Zane.

6. RENEWAL OF INFORMATION TECHNOLOGY (IT) INFRASTRUCTURE

Damian Breen, DAPCO, introduced David James, Information Services Manager, who gave the staff presentation *Renewal of IT Infrastructure*, including background; current IT infrastructure; new IT procurement; projected timeline; and current action.

Committee Comments:

The Committee and staff discussed possible reasons why only one bid was received; current and anticipated Air District data storage capacity both locally and in the cloud; staff plans for 375 Beale Street; and current and expected future backup infrastructure.

Public Comments: No requests received.

Committee Action: None; receive and file.

7. COMMITTEE MEMBER COMMENTS / OTHER BUSINESS

The Committee and staff discussed the backup power system for 375 Beale Street and potential upgrades.

8. TIME AND PLACE OF NEXT MEETING

Chairperson Hudson announced that the Committee meeting on Wednesday, May 27, 2015 is canceled.

Wednesday, June 24, 2015, at Bay Area Air Quality Management District Headquarters, 939 Ellis Street, San Francisco, CA 94109 at 9:30 a.m.

9. ADJOURNMENT: The meeting adjourned at 10:44 a.m.

Sean Gallagher
Clerk of the Boards

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson David Hudson and Members
of the Budget and Finance Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: November 24, 2015

Re: Fourth Quarter Preliminary Financial Report – Fiscal Year Ending 2015

RECOMMENDED ACTION

None; receive and file.

DISCUSSION

Finance staff will present a preliminary update on the Air District’s financial results for the fourth quarter of the 2014-15 fiscal year. The following information summarizes those results.

GENERAL FUND BUDGET: STATEMENT OF REVENUES

Comparison of Budget to Actual Revenues

County Receipts	\$ 25,859,397	(115%) of budgeted revenue.
Permit Fees	\$ 29,819,491	(108%) of budgeted revenue.
Title V Permit Fees	\$ 4,490,995	(116%) of budgeted revenue.
Asbestos Fees	\$ 3,247,403	(141%) of budgeted revenue.
Toxic Inventory Fees	\$ 408,666	(74%) of budgeted revenue.
Penalties and Settlements	\$ 2,744,150	(160%) of budgeted revenue.
Interest Revenues	\$ 364,056	(192%) of budgeted revenue.
Miscellaneous Revenues	\$ 119,682	(104%) of budgeted revenue.

GENERAL FUND BUDGET: STATEMENT OF EXPENDITURES

Comparison of Budget to Actual Expenditures

Personnel - Salaries*	\$34,905,105	(100%) of budgeted expenditures.
Personnel - Fringe Benefits*	\$16,580,631	(108%) of budgeted expenditures.
Operational Services and Supplies	\$12,159,070	(80%) of budgeted expenditures.
Capital Outlay	\$ 4,102,505	(99%) of budgeted expenditures
* Consolidated (includes Special Funds)		

CASH AND INVESTMENTS IN COUNTY TREASURY

(Based on the June 2015 Account Balance)

General Fund	\$49,908,197	
TFCA	\$75,652,785	
MSIF	\$30,197,127	
Carl Moyer	\$7,208,074	
CA Goods Movement	\$10,048,106	
Total	\$173,014,289	

FUND BALANCES	6/30/2014 Audited	Board Approved Transfer	6/30/2015 Unaudited
Reserve for Building and Facilities	\$ 500,000	\$ (500,000)	\$ -
Reserve for Capital Equipment Contingency	\$ 1,000,000		\$ 1,000,000
Reserve for Economic Contingency	\$ 10,114,309		\$ 10,114,309
Reserve for Fleet Contingency	\$ -		\$ -
Reserve for IT-Desktop Equipment	\$ 500,000		\$ 500,000
Reserve for IT- Event Response	\$ 500,000		\$ 500,000
Reserve for JD Edwards Software Upgrade	\$ 1,000,000	\$ (1,000,000)	\$ -
Reserve for Pension & Post Employment Liability	\$ 1,800,000		\$ 1,800,000
Reserve for Tech- GHG Monitoring Equipment	\$ 360,900	\$ (360,900)	\$ -
Reserve for Tech- Meterological Network Equipment	\$ 417,100		\$ 417,100
Reserve for Tech- Mobile Monitoring Instruments	\$ 450,000		\$ 450,000
Reserve for GHG Abatement Technology Study	\$ -		\$ -
Reserve for Woodsmoke Program	\$ -		\$ -
Reserve for Worker's Comp Self -Funding	\$ 1,000,000		\$ 1,000,000
TOTAL RESERVES	\$ 17,642,309	\$ (1,860,900)	\$ 15,781,409
Undesignated Fund Balance	\$ 7,404,751	\$ -	\$ 15,122,475
TOTAL RESERVES/ UNDESIGNATED	\$ 25,047,060	\$ (1,860,900)	\$ 30,903,884
Building Proceeds	\$ 14,668,200	\$ (500,000)	\$ 14,168,200
TOTAL BUILDING PROCEEDS	\$ 14,668,200	\$ (500,000)	\$ 14,168,200
TOTAL FUND BALANCE	\$ 39,715,260	\$ (2,360,900)	\$ 45,072,084

VENDOR PAYMENTS

In accordance with provisions of the Administrative Code, Division II Fiscal Policies and Procedures - Section 4 Purchasing Procedures: 4.3 Contract Limitations, staff is required to present recurring payments for routine business needs such as utilities, licenses, office supplies

and the like, more than, or accumulating to more than \$70,000 for the fiscal year. In addition, this report includes all of the vendors receiving payments in excess of \$70,000 under contracts that have not been previously reviewed by the Board. In addition, staff will report on vendors that undertook work for the Air District on several projects that individually were less than \$70,000, but cumulatively exceed \$70,000.

Below is a list of vendors including payments made during the fourth quarter of 2014-2015 fiscal year that exceeded \$70,000 and meets the reporting criteria noted above. All expenditures have been appropriately budgeted as a part of the overall Air District budget for Fiscal Year 2014-15.

	VENDOR NAME	AMOUNT PAID (July 2014 - June 2015)	Explanation
1	ALLIANT INSURANCE SERVICES	420,140	Various Business Insurance Policies
2	BENEFIT COORDINATORS CORP	739,642	Life Insurance Plan & LTD Insurance
3	BOARD OF REGENTS	117,054	Laboratory analysis services
4	CA PUBLIC EMPLOYEE RETIREMENT SYSTEM	5,810,518	Health Insurance Plan
5	CA PUBLIC EMPLOYEE RETIREMENT SYSTEM	8,868,853	Retirement Benefits & 457 Supplemental Plan
6	CAPCOA	640,106	Pass through EPA grants
7	CERIDIAN	95,529	Payroll Processing Services
8	COMCAST	142,746	Internet Connections
9	COMPUCOM SYSTEMS, INC.	183,120	Microsoft license agreement
10	COMPUTER DISCOUNT WAREHOUSE	94,426	IT Servers Maintenance
11	CUBIC TRANSPORTATIONS SYSTEMS	302,732	Clipper Transit Subsidy
13	DIRECT MAIL CENTER	111,258	Bulk Mailing Services
14	EMPLOYEE BENEFIT SPECIALISTS	212,342	Medical & Dependent Care Flexible Spending Plan
15	ENTERPRISE FLEET SERVICES	505,186	Fleet Leasing and Maintenance services
16	EPLUS TECHNOLOGY, INC.	138,543	Cisco Maintenance and Support
17	HARTFORD LIFE INS. CO.	442,770	457 Supplemental Insurance
18	HUBBARD ELECTRICAL	74,604	PM2.5 Instrumentation and shelters
19	LEARN IT	80,000	Deposit for employee education and training
20	MET ONE INSTRUMENTS INC.	72,569	PM2.5 Instrumentation and shelters
21	NETAPP INC.	85,198	SF & SAC Net Application Support
22	PACIFIC GAS & ELECTRIC COMPANY	411,296	Utilities
23	PREFERRED BENEFIT INSURANCE AD	721,646	Dental Insurance Plan
24	RENNE SLOAN HOLTZMAN & SAKAI	167,703	Human Resources Consulting Services
25	RICHMOND PARKWAY BUSINESS PARK	167,261	Building Lease
26	SONOMA TECHNOLOGY INC.	182,904	Programming & Special Studies
27	THERMO ENVIRONMENTAL INSTRUMENTS	273,759	Air monitoring and source test instrumentation
28	VERIZON WIRELESS	212,424	Cell phone services
29	WRIGHT EXPRESS FLEET SERVICES	121,548	Fuel for Fleet

BUDGET CONSIDERATION/FINANCIAL IMPACT

None; receive and file.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Stephanie Osaze
Reviewed by: Jeff McKay

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson David Hudson and Members
of the Budget and Finance Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: November 24, 2015

Re: First Quarter Financial Report – Fiscal Year Ending 2016

RECOMMENDED ACTION

None; receive and file.

DISCUSSION

Finance staff will present an update on the Air District’s financial results for the first quarter of the 2015-16 fiscal year. The following information summarizes those results.

GENERAL FUND BUDGET: STATEMENT OF REVENUES

Comparison of Budget to Actual Revenues

County Receipts	\$ 246,903	(1%) of budgeted revenue.
Permit Fees	\$ 14,429,633	(50%) of budgeted revenue.
Title V Permit Fees	\$ 1,728,073	(40%) of budgeted revenue.
Asbestos Fees	\$ 1,039,791	(43%) of budgeted revenue.
Toxic Inventory Fees	\$ 109,362	(20%) of budgeted revenue.
Penalties and Settlements	\$ 4,514,696	(226%) of budgeted revenue.
Interest Revenues	\$ 85,226	(45%) of budgeted revenue.
Miscellaneous Revenues	\$ 14,750	(13%) of budgeted revenue.

GENERAL FUND BUDGET: STATEMENT OF EXPENDITURES

Comparison of Budget to Actual Expenditures

Personnel - Salaries*	\$ 7,647,032	(21%) of budgeted expenditures.
Personnel - Fringe Benefits*	\$ 3,921,140	(22%) of budgeted expenditures.
Operational Services and Supplies	\$ 2,568,814	(14%) of budgeted expenditures.
Capital Outlay	\$ 453,443	(11%) of budgeted expenditures.
Office Acquisition	\$ -	(0%) of budgeted expenditures.
* Consolidated (includes Special Funds)		

CASH AND INVESTMENTS IN COUNTY TREASURY

(Based on the September 2015 Account Balance)	
General Fund	\$47,057,922
TFCA	\$77,876,507
MSIF	\$29,539,419
Carl Moyer	\$13,120,402
CA Goods Movement	\$8,960,533
Total	<u>\$176,554,783</u>

	6/30/2014	6/30/2015	6/30/2016
FUND BALANCES	Audited	Unaudited	Projected
Reserve for Building and Facilities	\$ 500,000	\$ -	\$ -
Reserve for Capital Equipment Contingency	\$ 1,000,000	\$ 1,000,000	\$ 1,360,000
Reserve for Economic Contingency	\$ 10,114,309	\$ 10,114,309	\$ 14,501,024
Reserve for Fleet Contingency	\$ -	\$ -	\$ 1,000,000
Reserve for IT-Desktop Equipment	\$ 500,000	\$ 500,000	\$ 500,000
Reserve for IT- Event Response	\$ 500,000	\$ 500,000	\$ 500,000
Reserve for JD Edwards Software Upgrade	\$ 1,000,000	\$ -	\$ -
Reserve for Pension & Post Employment Liability	\$ 1,800,000	\$ 1,800,000	\$ 1,600,000
Reserve for Tech- GHG Monitoring Equipment	\$ 360,900	\$ -	\$ -
Reserve for Tech- Meterological Network Equipment	\$ 417,100	\$ 417,100	\$ 417,100
Reserve for Tech- Mobile Monitoring Instruments	\$ 450,000	\$ 450,000	\$ 450,000
Reserve for GHG Abatement Technology Study	\$ -	\$ -	\$ 500,000
Reserve for Woodsmoke Program	\$ -	\$ -	\$ 1,000,000
Reserve for Worker's Comp Self -Funding	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
TOTAL RESERVES	\$ 17,642,309	\$ 15,781,409	\$ 22,828,124
Use of Fund Balance			\$ (1,316,825)
Undesignated Fund Balance	\$ 7,404,751	\$ 15,122,475	\$ 8,075,760
TOTAL RESERVES/ UNDESIGNATED	\$ 25,047,060	\$ 30,903,884	\$ 29,587,059
Building Proceeds	\$ 14,668,200	\$ 14,168,200	\$ 5,168,200
TOTAL BUILDING PROCEEDS	\$ 14,668,200	\$ 14,168,200	\$ 5,168,200
TOTAL FUND BALANCE	\$ 39,715,260	\$ 45,072,084	\$ 34,755,259

VENDOR PAYMENTS

In accordance with provisions of the Administrative Code, Division II Fiscal Policies and Procedures - Section 4 Purchasing Procedures: 4.3 Contract Limitations, staff is required to present recurring payments for routine business needs such as utilities, licenses, office supplies and the like, more than, or accumulating to more than \$70,000 for the fiscal year. In addition, this report includes all of the vendors receiving payments in excess of \$70,000 under contracts that have not been previously reviewed by the Board. In addition, staff will report on vendors that undertook work for the Air District on several projects that individually were less than \$70,000, but cumulatively exceed \$70,000.

Below is a list of vendors including payments made during the first quarter of 2015-2016 fiscal year that exceeded \$70,000 and meets the reporting criteria noted above. All expenditures have been appropriately budgeted as a part of the overall Air District budget for Fiscal Year 2015-16.

	VENDOR NAME	AMOUNT PAID (July 2015 - September 2015)	Explanation
1	ALLIANT INSURANCE SERVICES	171,556	Various Business Insurance Policies
2	BENEFITS COORDINATORS CORP.	263,663	Life Insurance Plan & LTD Insurance
3	CA PUBLIC EMPLOYEE RETIREMENT SYSTEM	2,194,825	Health Insurance Plan
4	CA PUBLIC EMPLOYEE RETIREMENT SYSTEM	2,235,638	Retirement Benefits & 457 Supplemental Plan
5	CUBIC TRANSPORTATIONS SYSTEMS	113,145	Clipper Transit Subsidy
7	ENTERPRISE FLEET SERVICES	121,264	Fleet Leasing and Maintenance services
8	HARTFORD LIFE INS. CO.	157,826	457 Supplemental Insurance
9	PACIFIC GAS & ELECTRIC COMPANY	127,516	Utilities
10	PREFERRED BENEFIT INSURANCE AD	192,193	Dental Insurance Plan

BUDGET CONSIDERATION/FINANCIAL IMPACT

None; receive and file.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

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