



BAY AREA  
AIR QUALITY  
MANAGEMENT  
DISTRICT

BOARD OF DIRECTORS  
BUDGET AND FINANCE COMMITTEE MEETING

COMMITTEE MEMBERS

DAVE HUDSON – CHAIR  
JOHN GIOIA  
LIZ KNISS  
JAN PEPPER  
BRAD WAGENKNECHT

KATIE RICE – VICE CHAIR  
CAROLE GROOM  
NATE MILEY  
MARK ROSS

**FRIDAY  
DECEMBER 16, 2016  
9:30 A.M.**

**1<sup>st</sup> FLOOR BOARD ROOM  
375 BEALE STREET  
SAN FRANCISCO, CA 94105**

**AGENDA**

**1. CALL TO ORDER - ROLL CALL – PLEDGE OF ALLEGIANCE**

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

**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, 375 Beale Street, San Francisco, CA, 94105 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 Committee's subject matter jurisdiction. Speakers will be limited to three (3) minutes each.*

*This meeting will be webcast. To see the webcast, please visit <http://www.baaqmd.gov/about-the-air-district/board-of-directors/resolutionsagendasminutes> at the time of the meeting.*

**Staff/Phone (415) 749-**

**3. APPROVAL OF THE MINUTES OF MARCH 23, 2016 AND APRIL 27, 2016**

**Clerk of the Boards/5073**

*The Committee will consider approving the draft minutes of the Board of Directors Budget and Finance Committee Meetings of March 23, 2016 and April 27, 2016.*

4. **FOURTH QUARTER PRELIMINARY FINANCIAL REPORT – FISCAL YEAR ENDING (FYE) 2016**

J. McKay/4629

[jmckay@baaqmd.gov](mailto:jmckay@baaqmd.gov)

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

5. **FIRST QUARTER FINANCIAL REPORT – FISCAL YEAR ENDING (FYE) 2017**

J. McKay/4629

[jmckay@baaqmd.gov](mailto:jmckay@baaqmd.gov)

*The Committee will receive an update on the Air District's financial results for the first quarter of FYE 2017.*

6. **375 BEALE STREET ACQUISITION UPDATE**

J. McKay/4629

[jmckay@baaqmd.gov](mailto:jmckay@baaqmd.gov)

*The Committee will receive an update on the purchase of the facility, and on the possibility of a subsequent transaction to acquire an additional portion of the facility.*

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**

*Wednesday, January 25, 2017, Bay Area Air Quality Management District Office, 375 Beale Street, San Francisco, California 94105 at 9:30 a.m.*

9. **ADJOURNMENT**

*The Committee meeting shall be adjourned by the Committee Chair.*

**CONTACT:**

**MANAGER, EXECUTIVE OPERATIONS**  
**375 BEALE STREET, SAN FRANCISCO, CA 94105**  
[mmartinez@baaqmd.gov](mailto:mmartinez@baaqmd.gov)

**(415) 749-5016**  
**FAX: (415) 928-8560**  
**BAAQMD homepage:**  
[www.baaqmd.gov](http://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.
- 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 375 Beale Street, Suite 600, San Francisco, CA 94105, at the time such writing is made available to all, or a majority of all, members of that body.

**Accessibility and Non-Discrimination Policy**

The Bay Area Air Quality Management District (Air District) does not discriminate on the basis of race, national origin, ethnic group identification, ancestry, religion, age, sex, sexual orientation, gender identity, gender expression, color, genetic information, medical condition, or mental or physical disability, or any other attribute or belief protected by law.

It is the Air District’s policy to provide fair and equal access to the benefits of a program or activity administered by Air District. The Air District will not tolerate discrimination against any person(s) seeking to participate in, or receive the benefits of, any program or activity offered or conducted by the Air District. Members of the public who believe they or others were unlawfully denied full and equal access to an Air District program or activity may file a discrimination complaint under this policy. This non-discrimination policy also applies to other people or entities affiliated with Air District, including contractors or grantees that the Air District utilizes to provide benefits and services to members of the public.

Auxiliary aids and services including, for example, qualified interpreters and/or listening devices, to individuals who are deaf or hard of hearing, and to other individuals as necessary to ensure effective communication or an equal opportunity to participate fully in the benefits, activities, programs and services will be provided by the Air District in a timely manner and in such a way as to protect the privacy and independence of the individual. Please contact the Non-Discrimination Coordinator identified below at least three days in advance of a meeting so that arrangements can be made accordingly.

If you believe discrimination has occurred with respect to an Air District program or activity, you may contact the Non-Discrimination Coordinator identified below or visit our website at [www.baaqmd.gov/accessibility](http://www.baaqmd.gov/accessibility) to learn how and where to file a complaint of discrimination.

Questions regarding this Policy should be directed to the Air District’s Non-Discrimination Coordinator, Rex Sanders, at (415) 749-4951 or by email at [rsanders@baaqmd.gov](mailto:rsanders@baaqmd.gov).

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**  
**375 BEALE STREET, SAN FRANCISCO, CALIFORNIA 94105**  
**FOR QUESTIONS PLEASE CALL (415) 749-5016 or (415) 749-4941**

**EXECUTIVE OFFICE:**  
**MONTHLY CALENDAR OF AIR DISTRICT MEETINGS**

**DECEMBER 2016**

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
<b>Board of Directors Legislative Committee</b> <i>(At the Call of the Chair)</i>	Monday	12	9:30 a.m.	1 <sup>st</sup> Floor Board Room
<b>Board of Directors Mobile Source Committee</b> <i>(Meets on the 4<sup>th</sup> Thursday of each Month)</i>	Thursday	15	9:30 a.m.	1 <sup>st</sup> Floor Board Room
<b>Board of Directors Budget &amp; Finance Committee</b> <i>(Meets 4<sup>th</sup> Wednesday of Each Month)</i>	Friday	16	9:30 a.m.	1 <sup>st</sup> Floor Board Room
<b>Board of Directors Executive Committee</b> <i>(Meets on the 3<sup>rd</sup> Monday of each Month) - CANCELLED</i>	Monday	19	9:30 a.m.	1 <sup>st</sup> Floor Board Room
<b>Board of Directors Stationary Source Committee</b> <i>(Meets on the 3<sup>rd</sup> Monday of each Month) - CANCELLED</i>	Monday	19	10:30 a.m.	1 <sup>st</sup> Floor Board Room
<b>Board of Directors Regular Meeting</b> <i>(Meets on the 1<sup>st</sup> &amp; 3<sup>rd</sup> Wednesday of each Month) - CANCELLED</i>	Wednesday	21	9:45 a.m.	1 <sup>st</sup> Floor Board Room
<b>Board of Directors Mobile Source Committee</b> <i>(Meets on the 4<sup>th</sup> Thursday of each Month) - CANCELLED</i>	Thursday	22	9:30 a.m.	1 <sup>st</sup> Floor Board Room
<b>Board of Directors Budget &amp; Finance Committee</b> <i>(Meets on the 4<sup>th</sup> Wednesday of each Month) - CANCELLED</i>	Wednesday	28	9:30 a.m.	1 <sup>st</sup> Floor Board Room

**JANUARY 2017**

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
<b>Board of Directors Regular Meeting</b> <i>(Meets on the 1<sup>st</sup> &amp; 3<sup>rd</sup> Wednesday of each Month) - CANCELLED</i>	Wednesday	4	9:45 a.m.	1 <sup>st</sup> Floor Board Room
<b>Advisory Council Meeting</b> <i>– (At the Call of the Chair) - CANCELLED</i>	Thursday	5	10:00 a.m.	1 <sup>st</sup> Floor Board Room
<b>Board of Directors Executive Committee</b> <i>(Meets on the 3<sup>rd</sup> Monday of each Month)</i>	Monday	16	9:30 a.m.	1 <sup>st</sup> Floor Board Room
<b>Board of Directors Stationary Source Committee</b> <i>(Meets on the 3<sup>rd</sup> Monday of each Month)</i>	Monday	16	10:30 a.m.	1 <sup>st</sup> Floor Board Room

## JANUARY 2017

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
<b>Board of Directors Regular Meeting</b> <i>(Meets on the 1<sup>st</sup> &amp; 3<sup>rd</sup> Wednesday of each Month)</i>	Wednesday	18	9:45 a.m.	1 <sup>st</sup> Floor Board Room
<b>Board of Directors Climate Protection Committee</b> <i>(Meets 3<sup>rd</sup> Thursday of Every Other Month)</i>	Thursday	19	9:30 a.m.	1 <sup>st</sup> Floor Board Room
<b>Board of Directors Budget &amp; Finance Committee</b> <i>(Meets on the 4<sup>th</sup> Wednesday of each Month)</i>	Wednesday	25	9:30 a.m.	1 <sup>st</sup> Floor Board Room
<b>Board of Directors Mobile Source Committee</b> <i>(Meets on the 4<sup>th</sup> Thursday of each Month)</i>	Thursday	26	9:30 a.m.	1 <sup>st</sup> Floor Board Room

## FEBRUARY 2017

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
<b>Board of Directors Regular Meeting</b> <i>(Meets on the 1<sup>st</sup> &amp; 3<sup>rd</sup> Wednesday of each Month)</i>	Wednesday	1	9:45 a.m.	1 <sup>st</sup> Floor Board Room
<b>Advisory Council Meeting</b> <i>(At the Call of the Chair)</i>	Monday	6	10:00 a.m.	1 <sup>st</sup> Floor Board Room
<b>Board of Directors Regular Meeting</b> <i>(Meets on the 1<sup>st</sup> &amp; 3<sup>rd</sup> Wednesday of each Month)</i>	Wednesday	15	9:45 a.m.	1 <sup>st</sup> Floor Board Room
<b>Board of Directors Executive Committee</b> <i>(Meets on the 3<sup>rd</sup> Monday of each Month)</i>	Monday	20	9:30 a.m.	1 <sup>st</sup> Floor Board Room
<b>Board of Directors Stationary Source Committee</b> <i>(Meets on the 3<sup>rd</sup> Monday of each Month)</i>	Monday	20	10:30 a.m.	1 <sup>st</sup> Floor Board Room
<b>Board of Directors Budget &amp; Finance Committee</b> <i>(Meets on the 4<sup>th</sup> Wednesday of each Month)</i>	Wednesday	22	9:30 a.m.	1 <sup>st</sup> Floor Board Room
<b>Board of Directors Mobile Source Committee</b> <i>(Meets on the 4<sup>th</sup> Thursday of each Month)</i>	Thursday	23	9:30 a.m.	1 <sup>st</sup> Floor Board Room

HL – 11/29/16 (3:10 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/APCO

Date: December 1, 2016

Re: Approval of the Minutes of March 23, 2016 and April 27, 2016

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RECOMMENDED ACTION

Approve the attached draft minutes of the Budget and Finance Committee (Committee) meeting of March 23, 2016 and April 27, 2016.

DISCUSSION

Attached for your review and approval are the draft minutes of the Committee meeting of March 23, 2016 and April 27, 2016.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Marcy Hiratzka  
Reviewed by: Maricela Martinez

Attachment A: Draft Minutes of the Committee Meeting of March 23, 2016  
Attachment B: Draft Minutes of the Committee Meeting of April 27, 2016

## AGENDA: 3A – ATTACHMENT

Draft Minutes – Budget and Finance Committee Meeting of March 23, 2016

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, March 23, 2016

#### 1. CALL TO ORDER – ROLL CALL

Budget and Finance Committee (Committee) Chairperson David Hudson called the meeting to order at 9:36 a.m.

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

Absent: Directors John Gioia and Carole Groom.

Also Present: None.

#### 2. PUBLIC COMMENT ON NON-AGENDA MATTERS: None.

#### 3. APPROVAL OF THE MINUTES OF JANUARY 27, 2016

Committee Comments: None.

Public Comments: No requests received.

Committee Action:

Director Wagenknecht made a motion, seconded by Director Kniss, to approve the Minutes of January 27, 2016; and the motion carried by the following vote of the Committee:

AYES: Hudson, Kniss, Pepper, Rice, and Wagenknecht.

NOES: None.

ABSTAIN: None.

ABSENT: Gioia, Groom, Miley, and Ross.

#### 4. DISCUSSION OF PROPOSED BUDGET FOR FISCAL YEAR ENDING (FYE) 2017

Jeff McKay, Deputy Air Pollution Control Officer, gave the staff presentation *Proposed Fiscal Year End 2017 Budget*, which included projections for current FYE 2016; District reserve funds

- audited values excluding building proceeds; approved reserve transfers FYE 2016; proposed budget for FYE 2017; general fund revenue sources and expenditures; services, supplies, and capital; FYE 2017 proposed fees; FYE 2017 FTE staffing level; additional staffing; FYE 2017 balance summary; and FYE 2017 use of fund balance.

NOTED PRESENT: Director Ross was noted present at 9:40 a.m.

Committee Vice Chair Rice asked if revenues from permit fees and property tax are equally affected during an economic downturn and how sensitive the District's budget is to economic swings. Mr. McKay responded that permit fees track with economic activity more than property tax revenue.

Mr. McKay continued the presentation, which included fund balance policy; unfunded liabilities - CalPERS funding ratio vs. rate of return; and response for CalPERS pension.

Committee Comments:

The Committee and staff discussed considerations and factors of the CalPERS funding ratio; benefits of prefunding; multi-year increases; rate of return forecasting; additional employee contribution; the District's unfunded liability target; and a potential policy for the Board to consider regarding the continued increase of contributions, overages, or reserves in order to accelerate closing the unfunded liabilities gap.

NOTED PRESENT: Director Miley was noted present at 10:04 a.m.

Presentation continued:

Mr. McKay continued the presentation, which included retirement medical; other post-employment benefits (OPEB) liability; unfunded liabilities - response for OPEB; office building obligations; and a summary of the FYE 2017 Budget.

Committee Comments continued:

Staff was met with the Committee's general appreciation of the thought put into the proposed options presented. Committee Chair Hudson said that the Board's comments may echo those of the Committee when the Board is presented with this topic in April.

Public Comments: No requests received.

Committee Action: None; receive and file.

## **5. PROPOSED AMENDMENTS TO REGULATION 3: FEES**

Jaime Williams, Director of Engineering, gave the staff presentation *Proposed Amendments to Regulation 3, Fees*, including revenue sources - FYE 2015; cost recovery policy; trends in cost recovery and cost containment; proposed changes to fee schedules; petroleum refining emissions tracking fees; Schedule W costs and fees; major facility community air monitoring fees; Schedule X costs and fees; other proposed amendments; impact on large facilities: petroleum



refineries and power plants; impact on small businesses; workshop public comments; and rule development schedule.

Committee Comments:

The Committee and staff discussed the implications of low oil prices on cost recovery; cost recovery pertaining to an increase in District personnel; how criteria for major facility community air monitoring fees is derived; targeted percentage of the cost recovery associated with proposed Rule 12-15; cost recovery projections versus cost recovery ideal targets; and tiered financial structure for asbestos permit fees for single family dwellings.

Public Comments: No requests received.

Committee Action: None; receive and file.

**6. COMMITTEE MEMBER COMMENTS / OTHER BUSINESS**

Committee Chair Hudson noticed a figure deviation that he believes to be a typo in one of the columns (on page 145) in the “Group Insurance Benefits” section of the budget and requested that staff double check the data before it is brought to the Board for consideration.

**7. TIME AND PLACE OF NEXT MEETING**

Wednesday, April 27, 2016, at Bay Area Air Quality Management District Headquarters, 939 Ellis Street, San Francisco, CA 94109 at 9:30 a.m.

**8. ADJOURNMENT:** The meeting adjourned at 10:50 a.m.

Marcy Hiratzka  
Clerk of the Boards

## AGENDA: 3B – ATTACHMENT

Draft Minutes – Budget and Finance Committee Meeting of April 27, 2016

Bay Area Air Quality Management District  
375 Beale Street, Suite 600  
San Francisco, California 94105  
(415) 749-5073

### DRAFT MINUTES

Summary of Board of Directors  
Budget and Finance Committee Meeting  
Wednesday, April 27, 2016

#### 1. CALL TO ORDER – ROLL CALL

Budget and Finance Committee (Committee) Chairperson David Hudson called the meeting to order at 9:31 a.m.

Present: Committee Chairperson David Hudson; and Directors Nate Miley, Mark Ross, and Brad Wagenknecht.

Absent: Directors John Gioia, Carole Groom, Liz Kniss, Jan Pepper, and Katie Rice.

Also Present: None.

#### 2. PUBLIC COMMENT ON NON-AGENDA MATTERS:

No requests received.

#### 3. APPROVAL OF THE MINUTES OF MARCH 23, 2016

Public Comments:

No requests received.

Committee Comments:

None.

Committee Action:

None; due to lack of quorum.

#### 4. CONTINUED DISCUSSION OF FISCAL YEAR ENDING (FYE) 2017 PROPOSED AIR DISTRICT BUDGET AND CONSIDERATION TO RECOMMEND ADOPTION

NOTED PRESENT: Director Ross was noted present at 9:34 a.m.

Jeffrey McKay, Deputy Air Pollution Control Officer, announced that this is the second presentation on this item presented to the Committee before it goes to the Board of Directors for adoption. He gave the staff presentation, *Fiscal Year Ending (FYE) 2017: Proposed Air District Budget*, including: outline; projections for current FYE 2016; District reserve funds: audited values excluding building proceeds; approved reserve transfers in FYE 2016; overview of Proposed Budget for FYE 2017; general fund revenue sources and expenditures; services and supplies and capital; FYE 2017 proposed fees; FYE 2017 full-time-equivalent staffing level; FYE 2017 fund balance summary; FYE 2017 use of fund balance; fund balance policy; unfunded liabilities; retirement medical other post-employment benefits (OPEB) liability; responses for OPEB; response for CalPERS pension; CalPERS funding ratio vs. rate of return; proposed funding policies for CalPERS pension; proposed pension policy - 105% of Annual Required Contribution (ARC); office building obligations; summary budget FYE 2017; recommendations; and next steps.

Public Comments:

No requests received.

Committee Comments:

The Committee and staff discussed: how Air District Board members and the industry typically respond to fee increases; the funding policy status and predictions for CalPERS retirement and OPEB medical; the current status of the District's reserves; financial uncertainties due to moving to the new building and the possibility of postponing big decisions to the next budget cycle; whether or not CalPERS rewards agencies that save 5-10% above the ARC; the turnover of community monitoring equipment; and the request for a presentation on OPEB at a future meeting, when more Committee members available to attend.

Committee Action:

Committee Chair Hudson took a consensus of the Committee, and members present supported staff recommendations for this item to be sent to the Board for approval on September 21, 2016.

**5. THIRD QUARTER FINANCIAL REPORT – FISCAL YEAR ENDING 2016**

NOTED PRESENT: Director Miley was noted present at 10:01 a.m.

Mr. McKay introduced Stephanie Osaze, Finance Manager, who gave staff presentation *Third Quarter Financial Report for FYE 2016*, including: overview; 3<sup>rd</sup> quarter results FYE 2016 - general fund revenues; revenue comparison - prior vs current year; 3<sup>rd</sup> quarter FYE 2016 - general fund expenses; expenditure comparison - prior vs. current year; 3<sup>rd</sup> quarter FYE 2016 - investments; general fund balance; purchasing reporting requirements; and FYE 2016 vendor payments.

Public Comments:

No requests received.

Committee Comments:

None.

Committee Action:

None; receive and file.

**6. COMMITTEE MEMBER COMMENTS / OTHER BUSINESS**

None.

**7. TIME AND PLACE OF NEXT MEETING**

Wednesday, June 22, 2016, Bay Area Air Quality Management District Office, 375 Beale Street, San Francisco, CA 94105 at 9:30 a.m.

**8. ADJOURNMENT**

The meeting adjourned at 10:06 a.m.

Marcy Hiratzka  
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: December 1, 2016

Re: Fourth Quarter Preliminary Financial Report – Fiscal Year Ending (FYE) 2016

RECOMMENDED ACTION

None; receive and file.

DISCUSSION

Staff will present an update of the Air District’s preliminary financial results for the fourth quarter of FYE 2016. The following information summarizes those results.

GENERAL FUND BUDGET: STATEMENT OF REVENUES

Comparison of Budget to Actual Revenues

County Receipts	\$ 28,218,286	(115%) of budgeted revenue
Permit Fees	\$ 31,935,188	(108%) of budgeted revenue
Title V Permit Fees	\$ 5,120,624	(118%) of budgeted revenue
Asbestos Fees	\$ 3,869,468	(161%) of budgeted revenue
Toxic Inventory Fees	\$ 261,483	(47%) of budgeted revenue
Penalties and Settlements	\$ 6,121,023	(306%) of budgeted revenue
Interest Revenues	\$ 437,670	(219%) of budgeted revenue
Miscellaneous Revenues	\$ 90,337	(45%) of budgeted revenue

GENERAL FUND BUDGET: STATEMENT OF EXPENDITURES

Comparison of Budget to Actual Expenditures

Personnel - Salaries*	\$ 36,112,180	(97%) of budgeted expenditure
Personnel - Fringe Benefits*	\$ 17,857,342	(104%) of budgeted expenditure
Operational Services and Supplies	\$ 18,016,251	(100%) of budgeted expenditure
Capital Outlay	\$ 8,979,477	(224%) of budgeted expenditure
Office Acquisition	\$ -	(0%) of budgeted expenditure
<i>*Consolidated (includes Special Funds)</i>		

CASH AND INVESTMENTS IN COUNTY TREASURY

(Account Balance as of June 30, 2016)

General Fund	\$57,849,712
TFCA	\$79,534,148
MSIF	\$32,380,630
Carl Moyer	\$1,581,890
CA Goods Movement	\$8,127,526
BikeShare	\$1,739,476
<b>Total</b>	<b><u>\$181,213,382</u></b>

	<b>6/30/2014</b>	<b>6/30/2015</b>	<b>6/30/2016</b>
<b>FUND BALANCES</b>	<b>Audited</b>	<b>Audited</b>	<b>Unaudited</b>
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	15,159,959
Reserve for IT-Desktop Equipment	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	-	-	1,500,000
Reserve for Worker's Comp Self -Funding	1,000,000	1,000,000	1,000,000
Total Designated Reserves	\$ 17,642,309	\$ 15,781,409	\$ 21,987,059
Undesignated Fund Balance	7,404,751	15,122,475	-
<b>TOTAL RESERVES</b>	<b>\$ 25,047,060</b>	<b>\$ 30,903,884</b>	<b>\$ 21,987,059</b>
Building Proceeds	14,668,200	14,168,200	4,668,200
<b>TOTAL FUND BALANCE</b>	<b>\$ 39,715,260</b>	<b>\$ 45,072,084</b>	<b>\$ 26,655,259</b>
<b>UNFUNDED LIABILITIES (Based on 2015 Actuarial Valuation Report)</b>			
CalPERS Pension Retirement			59,242,771
Other Post-Employment Benefits			32,954,000
<b>TOTAL UNFUNDED LIABILITIES</b>			<b>\$ 92,196,771</b>

## 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 with cumulative payments made through the fourth 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 2015-2016.

	<b>VENDOR NAME</b>	<b>AMOUNT PAID (July 2015 - June 2016)</b>	<b>Explanation</b>
1	ALLIANT INSURANCE SERVICES	426,852	Various Business Insurance Policies
2	BENEFITS COORDINATORS CORP.	765,126	Life Insurance Plan & LTD Insurance
3	CA PUBLIC EMPLOYEE RETIREMENT SYSTI	6,309,141	Health Insurance Plan
4	CA PUBLIC EMPLOYEE RETIREMENT SYSTI	10,033,100	Retirement Benefits & 457 Supplemental Plan
5	CALIFORNIA VISION SERVICE PLAN	71,763	Vision Insurance Plan
6	CAPCOA	747,610	Pass through EPA grants
7	CANON SOLUTIONS	80,727	Copier lease and maintenance services
8	CEREDIAN CORP	102,287	Payroll Processing Services
9	COGENT COMMUNICATIONS, INC	70,454	Telephone & internet service provider services
10	COMCAST	145,231	Internet Connections
11	COMPUCOM SYSTEM	191,601	Microsoft License Agreement
12	CUBIC TRANSPORTATIONS SYSTEMS	396,312	Clipper Transit Subsidy
13	EMPLOYEE BENEFIT SPECIALISTS	226,377	Medical & Dependent Care Flexible Spending Plan
14	ENTERPRISE FLEET SERVICES	582,010	Fleet Leasing and Maintenance services
15	DIRECT MAIL CENTER	101,593	Public Notice Mailing Services
16	HARTFORD LIFE INS. CO.	586,494	457 Supplemental Insurance
17	M. BROOK ASSOCIATES, INC	76,187	Computer network support services
18	MAGENIC TECHNOLOGIES, INC.	75,535	Record retention services
19	PACIFIC GAS & ELECTRIC COMPANY	604,608	Utilities
20	PREFERRED BENEFIT INSURANCE AD	768,501	Dental Insurance Plan
21	RENNE SLOAN HOLTZMAN SAKAI	168,214	Human Resources Consulting Services
22	SHEPPARD, MULLIN, RICHTER & HA	74,115	Legal services
23	THERMO ENVIRONMENTAL INSTRUMENTS	273,759	Air monitoring and source rest instrumentation
24	TRI-STAR OFFICE MOVING	74,202	Office move and storage services
25	VERIZON WIRELESS	209,980	Cell phone services

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: December 1, 2016

Re: First Quarter Financial Report – Fiscal Year Ending (FYE) 2017

RECOMMENDED ACTION

None; receive and file.

DISCUSSION

Finance staff will present an update on the Air District’s preliminary financial results for the first quarter of FYE 2017. The following information summarizes those results.

GENERAL FUND BUDGET: STATEMENT OF REVENUES

Comparison of Budget to Actual Revenues

County Receipts	\$	40,429	(0.2%) of budgeted revenue
Permit Fees	\$	16,048,384	(48%) of budgeted revenue
Title V Permit Fees	\$	3,562,740	(76%) of budgeted revenue
Asbestos Fees	\$	1,140,903	(44%) of budgeted revenue
Toxic Inventory Fees	\$	182,852	(47%) of budgeted revenue
Penalties and Settlements	\$	1,869,035	(85%) of budgeted revenue
Interest Revenues	\$	-	(0%) of budgeted revenue
Miscellaneous Revenues	\$	52,589	(35%) of budgeted revenue

GENERAL FUND BUDGET: STATEMENT OF EXPENDITURES

Comparison of Budget to Actual Expenditures

Personnel - Salaries*	\$	8,020,184	(21%) of budgeted expenditure
Personnel - Fringe Benefits*	\$	6,776,223	(21%) of budgeted expenditure
Operational Services and Supplies	\$	3,057,109	(14%) of budgeted expenditure
Capital Outlay	\$	740,854	(19%) of budgeted expenditure
Office Acquisition	\$	-	(0%) of budgeted expenditure
<i>*Consolidated (includes Special Funds)</i>			

CASH AND INVESTMENTS IN COUNTY TREASURY

(Account Balance as of September 30, 2016)

General Fund	\$57,594,911
TFCA	\$82,663,613
MSIF	\$32,507,601
Carl Moyer	\$7,399,821
CA Goods Movement	\$8,137,264
BikeShare	\$1,058,554
<b>Total</b>	<b><u>\$189,361,765</u></b>

<b>FUND BALANCES</b>	<b>6/30/2015 Audited</b>	<b>6/30/2016 Unaudited</b>	<b>6/30/2017 Projected</b>
Reserve for Capital Equipment Contingency	1,000,000	1,360,000	860,000
Reserve for Economic Contingency	10,114,309	15,159,959	15,754,025
Reserve for IT-Desktop Equipment	500,000	-	-
Reserve for IT- Event Response	500,000	500,000	500,000
Reserve for Parking Infrastructure	-	-	-
Reserve for Pension & Post Employment Liability	1,800,000	1,600,000	800,000
Reserve for Tech- GHG Monitoring Equipment	-	-	-
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	-	1,500,000	1,500,000
Reserve for Worker's Comp Self -Funding	1,000,000	1,000,000	1,000,000
Total Designated Reserves	\$ 15,781,409	\$ 21,987,059	\$ 21,281,125
Undesignated Fund Balance	15,122,475	11,474,620	11,474,620
<b>TOTAL RESERVES</b>	<b>\$ 30,903,884</b>	<b>\$ 33,461,679</b>	<b>\$ 32,755,745</b>
Building Proceeds	14,168,200	4,668,200	4,668,200
TOTAL BUILDING PROCEEDS	\$ 14,168,200	\$ 4,668,200	\$ 4,668,200
<b>TOTAL FUND BALANCE</b>	<b>\$ 45,072,084</b>	<b>\$ 38,129,879</b>	<b>\$ 37,423,945</b>
<b>UNFUNDED LIABILITIES (Based on 2015 Actuarial Valuation Report)</b>			
CalPERS Pension Retirement			59,242,771
Other Post Employment Benefits			32,954,000
<b>TOTAL UNFUNDED LIABILITIES</b>			<b>\$ 92,196,771</b>

VENDOR PAYMENTS

In accordance with updated 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 \$100,000 for the fiscal year. In addition, this report includes all of the vendors receiving payments in excess of \$100,000 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 \$100,000, but cumulatively exceed \$100,000.

Below is a list of vendors with cumulative payments made through the first quarter of 2016-2017 fiscal year that exceeded \$100,000 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 2016-2017.

	<b>VENDOR NAME</b>	<b>AMOUNT PAID (July 2016 - September 2016)</b>	<b>Explanation</b>
1	ALLIANT INSURANCE SERVICES	182,107	Various Business Insurance Policies
2	BENEFITS COORDINATORS CORP.	215,833	Life Insurance Plan & LTD Insurance
3	CA PUBLIC EMPLOYEE RETIREMENT SYSTEM	1,387,260	Health Insurance Plan
4	CA PUBLIC EMPLOYEE RETIREMENT SYSTEM	2,276,202	Retirement Benefits & 457 Supplemental Plan
5	ENTERPRISE FLEET SERVICES	157,170	Fleet Leasing and Maintenance services
6	HARTFORD LIFE INS. CO.	146,793	457 Supplemental Insurance
7	PACIFIC GAS & ELECTRIC COMPANY	127,516	Utilities
8	PREFERRED BENEFIT INSURANCE AD	130,577	Dental Insurance Plan

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: December 1, 2016

Re: 375 Beale Street Acquisition Update

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RECOMMENDED ACTION

None, receive and file.

BACKGROUND

The Bay Area Air Quality Management District (Air District) currently inhabits 375 Beale Street under the terms of a Lease with an Option to Purchase.

DISCUSSION

The Air District and BAHA structured the terms of the Air District's acquisition to provide flexible timing for the purchase. Therefore, the Air District is currently able to occupy the building as a lease while waiting to complete the purchase.

Financing is already in place, however to complete the purchase, both the condominium map and the Declaration of Covenants, Conditions, and Restrictions (CC&Rs) must be recorded by BAHA. Staff will discuss the status of the condominium map and of the CC&Rs.

In addition, the Air District may have an opportunity to purchase a larger portion of the Facility than was originally contemplated. If this purchase is approved, it would occur as a second transaction, subsequent to the initial purchase. This second transaction is expected to be a cash transaction as opposed to a financed transaction.

BUDGET CONSIDERATIONS/FINANCIAL IMPACTS

None. Any financial impacts are already approved (initial building purchase) or will be the subject of a future request for approval.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Jeff McKay