

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

Board of Directors Special Meeting / Budget Hearing
Wednesday, May 17, 2017

APPROVED MINUTES

Note: Audio and video recordings of the meeting are available on the website of the Bay Area Air Quality Management District at <http://www.baaqmd.gov/about-the-air-district/board-of-directors/resolutionsagendasminutes>

1. CALL TO ORDER

Chairperson, Liz Kniss, called the meeting to order at 9:53 a.m.

Roll Call:

Present: Chairperson Liz Kniss, Vice Chairperson David Hudson, Secretary Katie Rice; and Directors Margaret Abe-Koga, Teresa Barrett, Pauline Russo Cutter, John Gioia, Scott Haggerty, Rebecca Kaplan, Doug Kim, Hilary Ronen, Mark Ross, Pete Sanchez, Jeff Sheehy, Rod Sinks, Jim Spring, Brad Wagenknecht, and Shirlee Zane.

Absent: Directors David J. Canepa, Cindy Chavez, Carole Groom, Tyrone Jue, Nate Miley, and Karen Mitchoff.

2. PUBLIC COMMENT ON NON-AGENDA MATTERS:

No requests received.

PUBLIC HEARING

3. First Public Hearing to Consider Testimony on the Air District's Proposed Budget for Fiscal Year Ending (FYE) 2018. A Final Public Hearing is scheduled for Wednesday, June 21, 2017 to Consider Adoption of the Proposed Budget for FYE 2018.

Chair Kniss opened the public hearing.

Jack Broadbent, Executive Officer/Air Pollution Control Officer, introduced Jeff McKay, Deputy Air Pollution Control Officer, who gave the staff presentation *Special Meeting of the Board of Directors Budget Hearing*, including: outline; current Fiscal Year - projections FYE 2017; financial history - actions taken during downturn; services & supplies & capital (actuals); District Reserve funds - audited values excluding building proceeds; FYE 2018 Proposed Budget overview and increase; General Fund Revenue sources and expenditures; FYE 2018 proposed fees; FYE 2018 Full Time Equivalent staffing level; additional staffing; FYE 2018 use of Reserves; Clean Air Plan implementation; \$1.7 meteorology equipment; permit processing and Health Risk Assessment; Technology Implementation Office; Reserves policy; fund balance and unfunded liabilities; CalPERS

pension retirement overview, funding ratio, change in/estimated impact to rate of return, and possible strategy to address impact; Other Post-Employment Benefits (OPEB) retirement medical and overview; budget summary FYE 2018; and schedule.

NOTED PRESENT: Director Haggerty was noted present at 10:00 a.m.; Director Zane was noted present at 10:09 a.m.; and Director Ross was noted present at 10:17 a.m.

Public Comments:

No requests received.

Board Comments:

The Board and staff discussed Board members' jurisdictions' challenges with CalPERS and experiences with Public Agency Retirement Services (PARS); the District's short-term (versus long-term) staffing needs; the District's plans to retain the services of a consultant who can make informed recommendations to the District of how to pay down its OPEB obligations; the Board's suggestion of having staff recommend pre-funds for both CalPERS pension and OPEB, allocated by a target date, with the provision that the Board must vote *not* to adopt the recommendations; the Board's concern about the anticipated diversion of resources from core engineering functions to Health Risk Analyses, and the Board's request for a chart of staffing resource tradeoffs that would result if Proposed Regulations 12-16, 11-18, and 13-1 were implemented; the District's practice of balancing its budget with fund balance at the end of each year; new ways in which the District's reserves could be used, including loans for smaller businesses that might need to borrow funds to pay for fees associated with future District regulation; why the District has chosen not to seek a credit rating; the prospect of a revolving loan fund connected to the District's new Technology Implementation Office (TIO); the need to ensure that the District is appropriately staffed due to new regulation and the Clean Air Plan implementation; the pros and cons of pre-funding unfunded liabilities without first establishing a holistic strategy; the feasibility of a policy on OPEB and pension obligation payments as a prelude to considering bonds; the feasibility of dividing the implementation of Proposed Rule 11-18 into phases (based on size of the facilities and/or volumes of their emissions) in an effort to decrease the anticipated diversion of the District's staffing resources; how this Air District compares to other Air Districts in California regarding Rate of paydown of unfunded liability, based on CalPERS' determinations; the need for target dates for funding policies for unfunded liabilities; and the feasibility of adopting a policy regarding uses of rollover funds.

Chair Kniss closed the public hearing.

Board Action:

None; receive and file.

OTHER BUSINESS

4. BOARD MEMBERS' COMMENTS

None.

5. TIME AND PLACE OF NEXT MEETING

Wednesday, June 21, 2017, Bay Area Air Quality Management District Office, 1st Floor Board Room, 375 Beale Street, San Francisco, CA 94105 at 9:45 a.m.

6. ADJOURNMENT

The meeting adjourned at 10:58 a.m.

/s/ Marcy Hiratzka

Marcy Hiratzka
Clerk of the Boards