



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

BOARD OF DIRECTORS
BUDGET AND FINANCE COMMITTEE MEETING

COMMITTEE MEMBERS

CAROLE GROOM – CHAIR
MARGARET ABE-KOGA
CINDY CHAVEZ
DOUG KIM
KATIE RICE
BRAD WAGENKNECHT

KAREN MITCHOFF – VICE CHAIR
DAVID CANEPA
PAULINE RUSSO CUTTER
LIZ KNISS
MARK ROSS

WEDNESDAY
APRIL 25, 2018
9:30 A.M.

1ST FLOOR YERBA BUENA ROOM #109
375 BEALE STREET
SAN FRANCISCO, CA 94105

AGENDA

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

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.

This meeting will be webcast. To see the webcast, please visit www.baaqmd.gov/bodagendas at the time of the meeting. Closed captioning may contain errors and omissions, and are not certified for their content or form.

Public Comment on Agenda Items: *The public may comment on each item on the agenda as the item is taken up. Public Comment Cards for items on the agenda must be submitted in person to the Clerk of the Boards at the location of the meeting and prior to the Board taking up the particular item. Where an item was moved from the Consent Calendar to an Action item, no speaker who has already spoken on that item will be entitled to speak to that item again.*

Speakers may speak for up to three minutes on each item on the Agenda. However, the Chairperson or other Board Member presiding at the meeting may limit the public comment for all speakers to fewer than three minutes per speaker, or make other rules to ensure that all speakers have an equal opportunity to be heard. The Chairperson or other Board Member presiding at the meeting may, with the consent of persons representing both sides of an issue, allocate a block of time (not to exceed six minutes) to each side to present their issue.

Staff/Phone (415) 749-

2. **APPROVAL OF THE MINUTES OF MARCH 28, 2018**

Clerk of the Boards/5073

The Committee will consider approving the draft minutes of the Budget and Finance Committee Meeting of March 28, 2018.

3. **CONTINUED DISCUSSION OF FISCAL YEAR ENDING (FYE) 2019 PROPOSED AIR DISTRICT BUDGET AND CONSIDERATION TO RECOMMEND ADOPTION**

J. McKay/4629

jmckay@baaqmd.gov

The Committee will continue discussion of the proposed budget for FYE 2019 and consider recommending the Board of Directors adoption of the proposed FYE 2019 Budget.

4. **THIRD QUARTER FINANCIAL REPORT – FISCAL YEAR ENDING (FYE) 2018**

J. McKay/4629

jmckay@baaqmd.gov

The Committee will receive an update on the Air District's financial results for the third quarter of the FYE 2018.

5. **DISCUSSION OF BUDGET PROCESSES FOR FISCAL YEAR ENDING (FYE) 2020**

J. McKay/4629

jmckay@baaqmd.gov

The Committee will receive an update on the Air District's budget processes for FYE 2020.

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

Pursuant to Government Code Section 54954.3 Speakers wishing to address the Board on non-agenda matters will be heard at the end of the agenda, and each will be allowed up to three minutes to address the Board at that time.

Members of the Board may engage only in very brief dialogue regarding non-agenda matters, and may refer issues raised to District staff for handling. In addition, the Chairperson may refer issues raised to appropriate Board Committees to be placed on a future agenda for discussion.

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, June 27, 2018, Bay Area Air Quality Management District Office, 375 Beale Street, San Francisco, CA 94105 at 9:30 a.m.

9. **ADJOURNMENT**

The Committee meeting shall be adjourned by the Committee Chair.

CONTACT:

ACTING MANAGER, EXECUTIVE OPERATIONS
375 BEALE STREET, SAN FRANCISCO, CA 94105
vjohnson@baaqmd.gov

(415) 749-4941
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.
- 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 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.

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

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

APRIL 2018

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Budget & Finance Committee <i>(Meets on the 4th Wednesday of each Month)</i>	Wednesday	25	9:30 a.m.	1st Floor, Yerba Buena Room #109
Board of Directors Mobile Source Committee <i>(Meets on the 4th Thursday of each Month)</i>	Thursday	26	9:30 a.m.	1st Floor Board Room

MAY 2018

<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	9:30 a.m.	1st Floor Board Room
Board of Directors Personnel Committee <i>(At the Call of the Chair)</i>	Monday	7	9:30 a.m.	1st Floor Board Room
Board of Directors Special Budget Hearing <i>(At the Call of the Chair)</i>	Wednesday	16	9:30 a.m.	1st Floor Board Room
Board of Directors Regular Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)</i>	Wednesday	16	10:00 a.m.	1st Floor Board Room
Board of Directors Climate Protection Committee <i>(Meets on the 3rd Thursday of every other Month)</i> - CANCELLED AND RESCHEDULED TO MONDAY, JUNE 4, 2018 AT 9:30 A.M.	Thursday	17	9:30 a.m.	1st Floor Board Room
Board of Directors Executive Committee <i>(At the Call of the Chair)</i> - CANCELLED	Monday	21	9:30 a.m.	1st Floor Board Room
Board of Directors Stationary Source Committee <i>(Meets on the 3rd Monday of every other Month)</i>	Monday	21	10:30 a.m.	1st Floor 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.	1st Floor, Yerba Buena Room #109
Board of Directors Mobile Source Committee <i>(Meets on the 4th Thursday of each Month)</i>	Thursday	24	9:30 a.m.	1st Floor Board Room

JUNE 2018

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Climate Protection Committee <i>(Meets on the 3rd Thursday of every other Month)</i>	Monday	4	9:30 a.m.	1 st Floor Board Room
Board of Directors Regular Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)</i>	Wednesday	6	9:30 a.m.	1 st Floor Board Room
Board of Directors Executive Committee <i>(At the Call of the Chair)</i>	Monday	18	9:30 a.m.	1 st Floor Board Room
Board of Directors Regular Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)</i>	Wednesday	20	9:30 a.m.	1 st Floor Board Room
Board of Directors Technology Implementation Office Steering Committee <i>(At the Call of the Chair)</i>	Thursday	21	1:00 p.m.	1st Floor, Ohlone Room #107
Board of Directors Budget & Finance Committee <i>(Meets on the 4th Wednesday of each Month)</i>	Wednesday	27	9:30 a.m.	1st Floor, Yerba Buena Room #109
Board of Directors Mobile Source Committee <i>(Meets on the 4th Thursday of each Month)</i>	Thursday	28	9:30 a.m.	1 st Floor Board Room
MV – 04/20/18 – 11:37 a.m.				G/Board/Executive Office/Moncal

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Carole Groom and Members
of the Budget and Finance Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: April 11, 2018

Re: Approval of the Minutes of March 28, 2018

RECOMMENDED ACTION

Approve the attached draft minutes of the Budget and Finance Committee (Committee) meeting of March 28, 2018.

DISCUSSION

Attached for your review and approval are the draft minutes of the Committee meeting of March 28, 2018.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Marcy Hiratzka
Reviewed by: Vanessa Johnson

Attachment 2A: Draft Minutes of the Committee Meeting of March 28, 2018

AGENDA: 2A – ATTACHMENT

Draft Minutes – Budget and Finance Committee Meeting of March 28, 2018

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, March 28, 2018

1. CALL TO ORDER – ROLL CALL

Budget and Finance Committee (Committee) Chairperson, Carole Groom, called the meeting to order at 9:34 a.m.

Present: Board of Directors (Board) Chairperson David Hudson; Committee Chairperson Carole Groom; Vice Chair Karen Mitchoff; and Directors Margaret Abe-Koga, David Canepa, Cindy Chavez, Pauline Russo Cutter, Doug Kim, Liz Kniss, Mark Ross, and Brad Wagenknecht.

Absent: Director Katie Rice.

Also Present: None.

2. APPROVAL OF THE MINUTES OF FEBRUARY 28, 2018

Public Comments:

No requests received.

Committee Comments:

None.

Committee Action:

Vice Chair Mitchoff made a motion, seconded by Director Canepa, to **approve** the Minutes of February 28, 2018; and the motion **carried** by the following vote of the Committee:

AYES: Canepa, Chavez, Cutter, Groom, Hudson, Kim, Kniss, Mitchoff, and Wagenknecht.
NOES: None.
ABSTAIN: None.
ABSENT: Abe-Koga, Rice, and Ross.

3. PROPOSED AMENDMENTS TO REGULATION 3: FEES

Dr. Jeff McKay, Chief Financial Officer, gave the staff presentation *Draft Amendments to Regulation 3, Fees*, including: outline; revenue sources Fiscal Year Ending (FYE) 2017; cost recovery background; trends in cost recovery and expenditures; proposed changes to fee schedules; other proposed amendments; public comments received; impact on small business and large facilities (petroleum refineries and power plants); and rule development schedule.

Public Comments:

Public comments were given by Bob Brown, Western States Petroleum Association; and Devin Richards, California Council for Environmental and Economic Balance.

NOTED PRESENT: Directors Abe-Koga and Ross were noted present at 9:46 a.m.

Committee Comments:

The Committee and staff discussed how the District explains calculations that result in fee increases to the regulated community; the Cost Recovery and Containment study conducted by Matrix Consulting Group for the District in 2012; the appreciation of being able to review the Proposed Budget and fee assessments at the same time; the hope that District fees would result in changed behavior, such as the implementation of more sustainable methods of abatement and farming practices; concerns from the regulated community about District staff's use of billing codes on District timesheets, and the District's plans to provide appropriate training for employees; the suggestion that the regulated community be given the option to expedite District services for additional fees; the request to better understand the projection of escalation needs in years out and how much risk might be involved, relative to cost recovery recommendations; whether the cost of conducting (or reviewing a consultants') Health Risk Assessment for the implementation of District Regulation 11-18 will be recovered at 100%; historical trends of late fee accrual affecting small businesses under the District's jurisdiction; how refinery operations, construction, and shut downs are all contributing factors to the deviating increases and decreases in annual percentages in permit fees (from 2015 to projected 2019); how cost recovery gaps are filled by county property tax revenue, and not with the fees generated from other schedules and what is the percentage of the reduction; the District's efforts to reduce fees for transactions by encouraging use of the District's online production system for automated transactions, and how smaller facilities already have this option; whether the District accepts payment plans from facilities; the ways in which the District's Compliance and Enforcement staff determines if backup generators are in compliance with District regulations; the way in which accrued losses in cost recovery (over the years) are backfilled; the new billing code for Assembly Bill (AB) 617 implementation activity, and the problem presented by the fact that mobile sources, over which the District has no fee authority, contribute to high emissions levels in some impacted communities; the concern that the State Legislature has allocated the District \$5 million for AB 617 implementation for the District's 2017-18 Budget, but has made no proposed allocations for the District's 18-19 Budget; and why the District is proposing to postpone Fee Schedule Y (Community Stationary Source Fees).

Committee Action:

None; receive and file.

4. DISCUSSION OF PROPOSED BUDGET FOR FISCAL YEAR ENDING 2019

Dr. McKay gave the staff presentation *Discussion of Proposed FYE 2019 Budget*, including: outline; current FY- FYE 2018 projections; financial history - actions taken during downturn and audited District Reserves; services, supplies, and capital (actuals); staffing trend – filled seats; medical retirement - Other Post-Employment Benefits (OPEB); California Public Employees' Retirement System (CalPERS) pension – historical Rate of Return and funding ratio; FYE 2019 Proposed Budget overview; General Fund revenue sources and expenditures of FYE 2019 Proposed Budget; 2019 Proposed Budget – recurring revenues and expenditures; fees and cost recovery overview and future state; FYE 2019 proposed staffing; 22 additional staffing positions; 16 new staffing requests; Reserves policy; Reserves designations of FYE 2019 Proposed Budget; FYE 2019 use of Reserves; retirement liabilities; medical retirement plan OPEB overview and funding policy recommendation; CalPERS pension plan retirement overview and funding policy recommendation; CalPERS pension plan; alternative asset allocations for Discretionary Funds; Budget summary FYE 2019; and next steps.

Public Comments:

No requests received.

Committee Comments:

The Committee and staff discussed whether more space at 375 Beale Street will be procured to house the additional sixteen new full-time employees that the District anticipates hiring; the comparison of the District's percentages of funded and unfunded OPEB liability to those of other government agencies; the fact that three more years is needed to reach the District's 85% Cost Recovery goal; the fact that the FYE 2019 Proposed Budget assumed that the \$5 million from the California Air Resources Board for AB 617 implementation is recurring; and the potential risks resulting from a future downturn, including decreases in fees due to slowing economic activity, CalPERS increases, and the inability to continue with the District's Cost Recovery policy.

Committee Action:

None; receive and file.

5. PUBLIC COMMENT ON NON-AGENDA MATTERS

No requests received.

6. COMMITTEE MEMBER COMMENTS / OTHER BUSINESS

None.

7. TIME AND PLACE OF NEXT MEETING

Wednesday, April 25, 2018, 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 11:34 a.m.

Marcy Hiratzka
Clerk of the Boards

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Carole Groom and Members
of the Budget and Finance Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: April 10, 2018

Re: Continued Discussion of Fiscal Year Ending (FYE) 2019 Proposed Air District Budget
and Consideration to Recommend Adoption

RECOMMENDED ACTION

The Committee will continue discussion of the proposed budget for Fiscal Year Ending (FYE) 2019 and consider recommending that the Board of Directors:

1. Adopt the FYE 2019 Proposed Budget; and
2. Adopt a funding policy for California Pension Employees Retirement System (CalPERS) pensions to achieve 90% funding within 20 years.

BACKGROUND

As directed by the Board of Directors at its March 7, 2018 Regular Board Meeting, the FYE 2019 Proposed Budget was referred to the Budget and Finance Committee for review at the Committee's March 28, 2018 meeting.

On March 28, 2018, staff presented the FYE 2019 proposed budget to the Committee. The proposed budget is balanced, with the General Fund totaling \$99.2 million and the Consolidated Funds (including program distributions) totaling \$159.7 million. Proposed capital requests are \$4.7 million.

DISCUSSION

The Committee will continue its discussion of the FYE 2019 Proposed Budget at its April 25, 2018 meeting. The FYE 2019 Proposed Budget includes the following recommendations for the Committee's consideration:

- Use of \$4.0 million reserves to establish five-year revolving loan fund for the Technology Implementation Office;
- Increase budgeted FTE positions from 381 to 397;
- Policy recommendation to establish 20-year target to reach 90% funding level CalPERS);

- Continuation of \$1.0 million discretionary contribution towards CalPERS pension plan; and
- Continuation of \$4.0 million discretionary contribution towards Other Post Retirement Benefits (OPEB) and upon reaching 90% funding level; reallocate the discretionary \$4.0 million from OPEB to CalPERS pension plan.

Staff requests that the Budget and Finance Committee at its April 25, 2018 meeting, complete its review and recommend adoption of the proposed budget to the Board. This will allow staff the necessary time required to amend, if necessary, the budget for the first public hearing of the proposed budget to be held on May 16, 2018.

Staff will publish, prior to April 25, 2018 a public notice that the first of two public hearings on the budget will be conducted on May 16, 2018 and that the second hearing will be conducted on June 6, 2018.

BUDGET CONSIDERATION/FINANCIAL IMPACT

The proposed consolidated budget for FYE 2019 is \$159,714,300 and is a balanced budget.

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 Carole Groom and Members
of the Budget and Finance Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: April 10, 2018

Re: Third Quarter Financial Report – Fiscal Year Ending (FYE) 2018

RECOMMENDED ACTION

None; receive and file.

DISCUSSION

Finance staff will present an update on the Air District's financial results for the third quarter of the 2017-18 fiscal year. The following information summarizes those results.

GENERAL FUND BUDGET: STATEMENT OF REVENUES – Comparison of Prior Year Quarter Actual and Current Year Budget to Actual

REVENUE TYPE	3RD QTR FY 2017	3RD QTR FY 2018	FY 2018 - % of BUDGETED REVENUE
County Receipts	\$17,575,985	\$19,640,967	62%
Permit Fee Receipts	\$31,138,364	\$33,705,332	92%
Title V Permit Fees	\$4,653,797	\$5,002,480	91%
Asbestos Fees	\$3,035,033	\$2,989,264	120%
Toxic Inventory Fees	\$165,105	\$271,306	75%
Penalties and Settlements	\$2,517,392	\$3,886,200	141%
Interest Revenues	\$422,116	\$345,698	121%
Miscellaneous Revenues	\$43,412	\$113,127	226%
Total Revenue	\$59,551,205	\$65,954,373	83%

GENERAL FUND: STATEMENT OF EXPENDITURES - Comparison of Prior Year Quarter Actual and Current Year Budget to Actual

EXPENDITURE TYPE	3RD QTR FY 2017	3RD QTR FY 2018	FY 2018 - % of BUDGETED EXPENDITURE
Personnel - Salaries*	\$26,580,883	\$28,046,647	70%
Personnel - Fringe Benefits*	\$14,515,259	\$17,332,448	78%
Operational Services / Supplies	\$13,224,717	\$13,109,123	42%
Capital Outlay	\$2,736,157	\$4,230,715	74%
Total Expenditures	\$57,057,016	\$62,718,933	63%
<i>*Consolidated (includes Special Funds)</i>			

CASH INVESTMENTS IN COUNTY TREASURY – Account Balances as of 3rd Quarter

CASH/INVESTMENTS	3RD QTR FY 2017	3RD QTR FY 2018
General Fund	\$73,236,606	\$68,983,280
TFCA	\$86,313,059	\$94,849,259
MSIF	\$36,672,835	\$41,521,780
Carl Moyer	\$4,783,613	\$10,441,456
CA Goods Movement	\$8,349,154	\$13,899,421
Bike Share	\$1,063,615	\$1,075,555
Total	\$210,418,883	\$230,770,751

	6/30/2016	6/30/2017	6/30/2018
FUND BALANCES	Audited	Audited	Projected
DESIGNATED: *			
Diversity Equity & Inclusion			100,000
Economic Contingency	\$16,519,959	\$16,519,959	\$17,390,311
IT- Event Response	\$500,000	\$500,000	\$500,000
Litigation			\$500,000
Pension & Post Employment Liability	\$1,600,000	\$1,600,000	\$440,000
Tech- Meteorological Network Equipment	\$417,100	\$131,100	\$131,100
Tech- Mobile Monitoring Instruments	\$450,000	\$80,000	\$80,000
Technology Implementation Office			\$3,350,000
GHG Abatement Technology Study	\$1,500,000	\$1,500,000	\$1,500,000
Woodchip Program			\$150,000
Woodsmoke Grant			\$1,000,000
Worker's Comp Self -Funding	\$1,000,000	\$1,000,000	\$1,000,000
Total Designated Reserves	\$21,987,059	\$21,331,059	\$26,141,411
Undesignated Fund Balance	\$13,366,286	\$20,455,742	\$14,793,358
Use of Fund Balance		(\$852,032)	(\$6,850,000)
TOTAL DESIGNATED & UNDESIGNATED	\$35,353,345	\$40,934,769	\$34,084,769

Building Proceeds	\$4,668,200	\$4,668,200	\$4,668,200
TOTAL FUND BALANCE	\$40,021,545	\$45,602,969	\$38,752,969
* Designated Fund Balances are subject to change at Board's discretion.			
UNFUNDED LIABILITIES (Based on 2016 Actuarial Valuation Report)			
CalPERS Pension Retirement			\$77,114,925
Other Post- Employment Benefits			\$32,954,000
TOTAL UNFUNDED LIABILITIES			\$110,068,925

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 \$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 third quarter of 2017-2018 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 2017-18.

VENDOR NAME	AMOUNT PAID (July 2017 -Mar 2018)	Explanation
1. Alliant Insurance Services	\$447,916	Various Business Insurance Policies
2. Benefits Coordinators Corp.	\$688,839	Life Insurance Plan & LTD Insurance
3. CA Public Employee Retirement System	\$5,453,888	Health Insurance Plan
4. CA Public Employee Retirement System	\$2,376,339	Retirement Benefits & 457 Supplemental Plan
5. CAPCOA	\$630,892	Pass through EPA grants
6. Cubic Transportations Systems	\$331,020	Clipper Transit Subsidy
7. Enterprise Fleet Services	\$319,300	Fleet Leasing and Maintenance services
8. Hartford Life Ins Co.	\$526,103	457 Supplemental Insurance
9. Preferred Benefit Insurance AD	\$487,373	Dental Insurance Plan
10. Renne Sloan Holtzman Sakai	\$143,026	Human Resources Consulting Services
11. SoftwareOne Inc.	\$332,209	Microsoft Subscription Service

12. Thermo Environmental Instrument	\$102,109	Air monitoring and source test instrumentation
13. Verizon Wireless	\$121,935	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 Carole Groom and Members
of the Budget and Finance Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: April 17, 2018

Re: Discussion of Budget Processes for Fiscal Year Ending (FYE) 2020

RECOMMENDED ACTION

None; receive and file

BACKGROUND

Each year the Air District brings forward a proposed budget at the March Budget and Finance Committee meeting. For the FYE 2019 fiscal year, the committee was presented with preliminary materials and presentations during its December, January and February meetings. These presentations included projections of external challenges, discussions of internal planning for new programs, review of operational challenges, and discussions of investment strategy.

DISCUSSION

Air District staff will present a plan for FYE 2020 to formalize the preliminary materials presentations that were provided in December, January and February. As a result, the FYE 2020 budget process will include an Air District Strategic Financial Plan that will provide the basis for the resulting FYE 2020 proposed budget.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Jeff McKay