

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

Video Conference Location

Santa Clara County Government Center  
Clerk's Conference Room, 10<sup>th</sup> Floor, East Wing  
70 W. Hedding Street  
San Jose, California 95110

**APPROVED MINUTES**

Summary of Board of Directors  
Budget and Finance Committee Meeting  
Monday, November 25, 2019

**1. CALL TO ORDER – ROLL CALL**

Budget and Finance Committee (Committee) Chairperson, Carole Groom, called the meeting to order at 9:31 a.m. Director Chavez was participating via videoconference from the Santa Clara County Government Center.

Present: Committee Chairperson Carole Groom; Vice Chair John J. Bauters; and Directors Margaret Abe-Koga, David J. Canepa, Cindy Chavez, Tyrone Jue, Mark Ross, Rod Sinks, and Brad Wagenknecht.

Absent: Directors David Hudson and Karen Mitchoff.

Also Present: None.

**2. PUBLIC COMMENT ON NON-AGENDA ITEMS, PURSUANT TO GOVERNMENT CODE SECTION 54954.3**

No requests received.

**3. APPROVAL OF THE MINUTES OF APRIL 22, 2019**

Public Comments

No requests received.

Committee Comments

None.

Committee Action

Director Canepa made a motion, seconded by Director Wagenknecht, to **approve** the Minutes of April 22, 2019; and the motion **carried** by the following vote of the Committee:

AYES: Abe-Koga, Bauters, Canepa, Chavez, Groom, Jue, Sinks, Wagenknecht.  
NOES: None.  
ABSTAIN: None.  
ABSENT: Hudson, Mitchoff, Ross.

**4. FOURTH QUARTER FINANCIAL REPORT – FISCAL YEAR ENDING (FYE) 2019**

Dr. Jeff McKay, Chief Financial Officer, introduced Stephanie Osaze, Finance Manager, who gave the staff presentation *Fourth Quarter Financial Report: Fiscal Year Ending June 2019*, including: overview; General Fund revenues and expenditures; comparison of prior and current years for revenues and expenditures; investments; fund balance and outstanding liabilities; purchasing reporting requirements; and FYE 2019 vendor payments.

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

Public Comments

No requests received.

Committee Comments

The Committee and staff discussed how revenue from permit, Title V, and asbestos fees was greater than the budget (due to a one-time adjustment to fee payers' anniversary dates that were adjusted to comply with Air District Rule 12-15), and whether the revenue from those three categories would have fallen short had that one-time adjustment not occurred.

Committee Action

None; receive and file.

**5. FIRST QUARTER FINANCIAL REPORT – FISCAL YEAR ENDING (FYE) 2020**

Ms. Osaze gave the staff presentation *First Quarter Financial Report: Fiscal Year Ending 2020* including: overview; General Fund revenues and expenditures; comparison of prior and current years for revenues and expenditures; investments; fund balance and outstanding liabilities; purchasing reporting requirements; and FYE 2020 vendor payments.

Public Comments

No requests received.

Committee Comments

The Committee and staff discussed the reason for the \$4 million difference in cash balances between 4<sup>th</sup> quarter FYE 2019 and 1<sup>st</sup> quarter FYE 2020; and how the Air District manages its budget and reconsiders its reserve policy during economic downturns.

Committee Action

None; receive and file.

**6. CALIFORNIA EMPLOYERS' PENSION PREFUNDING TRUST (CEPPT) PARTICIPATION AND CONSIDERATION TO RECOMMEND ADOPTION**

Dr. McKay gave the staff presentation *California Employers' Pension Prefunding Trust Participation and Consideration to Recommend Adoption*, including: outline; unfunded retirement liabilities; California Public Employees' Retirement System (CalPERS) Pension Retirement Plan; funding and investment options; independent analysis; pension funding options: CalPERS 15 year "Fresh Start," additional payments sent directly to CalPERS, and Section 115 Pension Rate Stabilization program; and recommendations.

Public Comments

No requests received.

Committee Comments

The Committee and staff discussed the differences between CalPERS and Public Agency Retirement Services (PARS) and the anticipated risk tolerance associated with the proposed investment options; which option to use within the Section 115 trust, and the suggestion to have an independent party(ies) present to the Committee on Section 115 trust options; how basis point charge rates are established and what their limitations might be; and how to determine payment to the pension and which source to use.

Committee Action

The consensus of the Committee was to not take action until a further review of options with the Committee.

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

No requests received.

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

None.

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

Wednesday, February 26, 2020, Bay Area Air Quality Management District Office, 375 Beale Street, San Francisco, CA 94105 at 9:30 a.m.

**10. ADJOURNMENT**

The meeting adjourned at 10:14 a.m.

*/s/ Marcy Hiratzka*  
Marcy Hiratzka  
Clerk of the Boards