

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 15, 2019

## **APPROVED MINUTES**

*Note: Audio recordings of the meeting are available on the website of the  
Bay Area Air Quality Management District at  
[www.baaqmd.gov/bodagendas](http://www.baaqmd.gov/bodagendas)*

### **CALL TO ORDER**

1. Board of Directors (Board) Chairperson, Katie Rice, called the meeting to order at 9:34 a.m.

#### **Roll Call:**

Present: Chairperson Katie Rice; Vice Chairperson Rod Sinks; Secretary Cindy Chavez; and Directors Teresa Barrett, John J. Bauters, David J. Canepa, Pauline Russo Cutter, John Gioia, Carole Groom, David Hudson, Tyrone Jue, Doug Kim, Liz Kniss, Gordon Mar, Nate Miley, Mark Ross, Jim Spering, Brad Wagenknecht, and Lori Wilson.

Absent: Directors Margaret Abe-Koga, Scott Haggerty, Karen Mitchoff, and Shirlee Zane.

### **PUBLIC HEARING**

2. **First Public Hearing on the Proposed Air District Budget for Fiscal Year Ending (FYE) 2020. A Final Public Hearing is scheduled for Wednesday, June 5, 2019 to Consider Adoption of the Proposed Budget for FYE 2020.**

NOTED PRESENT: Director Wagenknecht was noted present at 9:38 a.m.; Secretary Chavez was noted present at 9:39 a.m.; Director Mar was noted present at 9:49 a.m.; and Director Miley was noted present at 10:11 a.m.

Dr. Jeff McKay, Chief Financial Officer, gave the staff presentation *First Public Hearing on the Proposed Air District Budget for Fiscal Year Ending 2020*, including: outline, current fiscal year (FYE 2019 projections); financial history (actions taken during downturn); actual reserves and policy (excludes building proceeds); General Fund expenditure trend; staffing trend (filled positions); medical retirement - Other Post-Employment Benefits (OPEB); California Public Employees' Retirement System (CalPERS) pension - historical Rate of Return and funding ratio; FYE 2020 Proposed Budget overview; General Fund revenue sources and expenditures (of FYE

2020 Proposed Budget); capital budget; cost recovery trend; fees and cost recovery (overview and future state); Reserves policy; reserves designations (of FYE 2020 Proposed Budget); retirement liabilities; OPEB overview; CalPERS pension plan; Budget summary (FYE 2020); actions taken; and future actions.

**Chair Rice opened the first of two required public hearings for the exclusive purpose of considering testimony on the Air District’s Proposed Budget for FYE 2020.**

Public Comments

No requests received.

Board Comments

The Board and staff discussed how the Air District’s Particulate Matter (PM) Summit relates to the increase in Advisory Council professional services in the FYE 2020 Proposed Program Budget; the Air District’s anticipation of fewer vacancies in 2020 than for 2019; the request that new full-time equivalent positions (and their staffing level) be individually listed in future budgets; how filling vacancies will affect the Air District’s reserves and cost recovery; the difficulty of projecting medical retirement costs, as staffing increases over time, and the Air District’s strategy of funding them as they accrue; the current number of vacancies at the Air District; challenges regarding employee retention, and the ratio of retirement versus resignation; the Board-mandated economic contingency of 20% of budget, regarding reserves designations; how the May revision to the Governor’s state budget is projected to affect Assembly Bill (AB) 617 funding, as well as other initiatives and programs of the Air District, and the request that Air District staff continue to monitor activity in Sacramento and alert the Board of opportunities to take action, if needed; whether the Air District’s expenditure and revenue trends are considered typical; the anticipated increase to the Air District’s total obligation, unfunded percentage, and annual required contribution, should CalPERS decrease the expected rate of return; the suggestion that the Air District conducts a customer service survey of permitted facilities regarding the efficiency of the Air District’s permitting program; and the tradeoffs of increasing the Air District’s CalPERS pension rate of return.

**Chair Rice closed the public hearing.**

Board Action

None; receive and file.

**PUBLIC COMMENT ON NON-AGENDA MATTERS**

**3. Public Comment on Non-Agenda Items, Pursuant to Government Code Section 54954.3**

No requests received.

**OTHER BUSINESS**

4. **BOARD MEMBERS' COMMENTS**

None.

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

Wednesday, June 5, 2019 Bay Area Air Quality Management District Office, 1<sup>st</sup> Floor Board Room, 375 Beale Street, San Francisco, CA 94105 at 9:30 a.m.

6. **ADJOURNMENT**

The meeting adjourned at 10:17 a.m.

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