

Bay Area Air Quality Management District  
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## **APPROVED MINUTES**

Summary of Board of Directors  
Budget and Finance Committee Meeting  
Wednesday, September 30, 2020

**This meeting was conducted under procedures authorized by executive order N-29-20 issued by Governor Gavin Newsom. Members of the committee participated by teleconference.**

### **1. CALL TO ORDER – ROLL CALL**

Budget and Finance Committee (Committee) Chairperson, Carole Groom, called the meeting to order at 1:30 p.m.

Present: Committee Chairperson Carole Groom; Vice Chair John Bauters; and Directors Margaret Abe-Koga, Cindy Chavez, David Hudson, Karen Mitchoff, Mark Ross, and Brad Wagenknecht.

Absent: David Canepa, Pauline Russo Cutter, and Tyrone Jue.

Also Present: Board Chairperson Rod Sinks.

### **2. APPROVAL OF THE MINUTES OF MAY 20, 2020**

#### Public Comments

No requests received.

#### Committee Comments

None.

#### Committee Action

Vice Chair Bauters made a motion, seconded by Board Chair Sinks, to approve the Minutes of May 20, 2020; and the motion carried by the following vote of the Committee:

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

### **3. UPDATE ON ECONOMIC IMPACT OF COVID-19**

Dr. Jeff McKay, Chief Financial Officer, introduced Leonid Bak, Economist, who gave the staff presentation *Update on Economic Impact of COVID-19*, including: updated projections as of September 2020; US Gross Domestic Product forecasts as of May and September 2020; US unemployment forecasts as of May and September 2020; US Consumer Price Index inflation - 2020 monthly change and yearly rate; select California economic indicators; Bay Area selected indicators as of September 2020; and conclusions.

#### Public Comments

No requests received.

#### Committee Comments

The Committee and staff discussed whether change in the focus of the US Federal Reserve from inflation targeting to getting to full employment will help fight inequality and improve minority labor force participation; the request that “labor force” be divided into categories in future presentations; how the selling of residential property could affect the Air District; which California industries have experienced the most unemployment; and how continued remote work, beyond the pandemic, could affect California’s tax base if people live out of state.

#### Committee Action

None; receive and file.

### **4. REVIEW FISCAL YEAR ENDING (FYE) 2021 BUDGET**

Dr. McKay gave the staff presentation, *Review Fiscal Year Ending 2021 Budget*, including: background; outline; some key items deferred in budget process; actions taken during downturns; Fiscal Year Ending (FYE) 2021 General Fund Proposed Budget revisions; actual reserves and policy; staffing trend-filled positions; General Fund revenue and expenditure trends; General Fund revenue sources and reserves; reserves projection assumptions; FYE 2021 adopted budget summary; state revenues in FYE 2021; Clean Air Protection Program (Assembly Bill [AB] 617) implementation grants and Community Health Impact Fee; Criteria Pollutant and Toxics Emissions Reporting Regulation Fee; cost recovery background; pre-pandemic fee proposal; actions deferred in budget process; and some possible actions.

#### Public Comments

Public comments were given by Jed Holtzman, 350 Bay Area; Frances Keeler, California Council for Environmental and Economic Balance; and Bob Brown, Western States Petroleum Association.

Committee Comments

The Committee and staff discussed the projected reduction of AB 617 grants from the State each year, and the concern that Air Districts will have to make up the funding difference for a mandated program; why Air District permit fees increased in 2019 and 2020; reserves calculations; property taxes predictions; and the Air District's definition of "transfer from grants".

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**

At the conclusion of the meeting, the next meeting was to be held at the Call of the Chair. After the meeting adjourned, the next meeting was scheduled for Monday, November 23, 2020 at 9:30 a.m. via webcast, pursuant to procedures authorized by Executive Order N-29-20 issued by Governor Gavin Newsom.

**8. ADJOURNMENT**

The meeting adjourned at 2:57 p.m.

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