

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

Board of Directors Special Budget Hearing
Wednesday, May 1, 2024

APPROVED MINUTES

This meeting was webcast, and a video recording is available on the website of the Bay Area Air Quality Management District at www.baaqmd.gov/bodagendas

CALL TO ORDER

1. **Opening Comments:** Board of Directors (Board) Chairperson, Davina Hurt, called the meeting to order at 9:06 a.m.

Roll Call:

Present, In-Person (Bay Area Metro Center, 375 Beale Street, 1st Floor Board Room, San Francisco, California, 94105): Chairperson Davina Hurt; and Directors Ken Carlson, John Gioia, Tyrone Jue, Sergio Lopez, Katie Rice, and Mark Salinas.

Present, In-Person Satellite Location: (Office of Contra Costa County Supervisor John Gioia, Conference Room, 11780 San Pablo Avenue, Suite D, El Cerrito, California, 94530): Director Mark Ross.

Present, In-Person Satellite Location: (City of Palo Alto City Hall, 250 Hamilton Avenue, Community Meeting Room, Palo Alto, California, 94301): Directors Margaret Abe-Koga, Noelia Corzo, Ray Mueller, and Vicki Veenker.

Present, In-Person Satellite Location: (Santa Rosa Junior College Campus, Doyle Library, Room 148, 1501 Mendocino Avenue, Santa Rosa, California, 95401): Director Brian Barnacle.

Present, In-Person Satellite Location: (Napa County Administration Building, 1195 Third St., Suite 310, Crystal Conference Room, Napa, California, 94559): Director Joelle Gallagher.

Present, In-Person Satellite Location: (Office of Alameda County Supervisor David Haubert, 4501 Pleasanton Ave., Pleasanton, California, 94566): Director David Haubert.

Absent: Vice Chairperson Lynda Hopkins; Directors Juan González III, Erin Hannigan, David Hudson, Otto Lee, Nate Miley, Shamann Walton, and Steve Young.

2. **PLEDGE OF ALLEGIANCE**

PUBLIC HEARING

3. FIRST PUBLIC HEARING ON THE PROPOSED AIR DISTRICT BUDGET FOR FISCAL YEAR ENDING (FYE) 2025

The Board of Directors held the first of two public hearings to receive testimony on the Air District's Fiscal Year 2024-2025 Proposed Budget for public review and comment. Final action will be taken at the conclusion of the second public hearing, scheduled for June 5, 2024.

Stephanie Osaze, Director of Finance, and Hyacinth Hinajosa, Deputy Executive Officer of Finance and Administration, gave the staff presentation *First Public Hearing to Consider Adoption of the Air District's Proposed Budget for Fiscal Year 2024-2025* including: outcome; outline; budget and rule development schedule; budget highlights; financial forecast – FYE 2025-2029; key assumptions – revenue and expenditure; FY 2024-2025 Proposed Budget summary; FY 2025 all funds budget by revenue and expenditure type; proposed General Fund Budget by type; Air District's General Fund Reserves: actual vs. minimum policy requirement; overview of proposed reserve policy; 2025 General Fund reserve designations; summary of 2025 \$16.6m budget increase; capital considerations by divisions; medical retiree plan funding status and policy; pension plan funding status and policy; FY 2025 Budget by service area; service area: Engineering and Compliance, Equity and Community Programs, Finance and Administration, General Counsel, Public Affairs, Science and Policy; FY25 new 19 Full Time Equivalent (FTE) cost considerations; projected funding to support additional positions; impact of cost recovery with the new 19 FTEs; other FYE 2025 staffing adjustments; and next steps.

NOTED PRESENT: Directors Lopez and Mueller were noted present at 9:14 a.m.

Chair Hurt opened the public hearing.

Public Comments

Public comments were given by Bob Brown, Western States Petroleum Association.

Board Comments

The Board and staff discussed the Air District's assumptions on property tax growth; potential replacement revenue, if property tax revenue reduction were to occur; where penalty revenue is reflected in the budget; the anticipated source of revenue that would replace the penalty funds that currently fund general operations, should the Board vote to automatically set aside a portion of penalty funds for community benefits; grant funding allocations; controls currently in place to keep cost increases manageable; concerns about the projected fee increase from 9.9% in 2027 to 11.3% in 2028, due to 19 new FTE positions; whether there is risk to the Air District's staffing levels by continuing to administer state and federal grant programs; whether the Air District's Permitting program is listed in capital considerations by divisions (Slide #15); potential areas for cost containment; how service enhancement (how efficiently work is being completed) relates to increases in FTE positions; whether the Air District has budget markers to maximize its asset of property holdings; and the desire for increased FTE positions in the Air District's service areas of Equity and Community programs.

NOTED PRESENT: Director Salinas was noted present at 9:47 a.m.

Chair Hurt closed the public hearing.

Board Action

None; receive and file.

OTHER BUSINESS

4. PUBLIC COMMENT ON NON-AGENDA MATTERS

No requests received.

5. BOARD MEMBER COMMENTS

None.

6. TIME AND PLACE OF NEXT MEETING

Wednesday, June 5, 2024, at 10:00 a.m., 375 Beale Street, San Francisco, CA 94105. The meetings will be in-person for Board members, and members of the public will be able to join either in-person or via webcast.

7. ADJOURNMENT

The meeting was adjourned at 10:03 a.m.

/s/ Marcy Hiratzka
Marcy Hiratzka
Clerk of the Boards