

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Resolution No. 2023 – 07

A Resolution of the Board of Directors of the Bay Area Air Quality Management District to Approve the Budget for the Fiscal Year Ending June 30, 2024 (FY 2023-2024) and Various Budget-Related Actions

WHEREAS, the Board of Directors of the Bay Area Air Quality Management District (Air District) has the statutory authority and direction to adopt the Air District's financial budget pursuant to Health & Safety Code Sections 40130-40131 and 40270-40276;

WHEREAS, by Resolution No. 2022-15, the Board of Directors adopted the Air District Budget for Fiscal Year (FY) 2022-2023 on June 15, 2022, pursuant to the above-mentioned statutory authority;

WHEREAS, the Board of Directors, in connection with that action, approved the following budget related actions:

- A. Transfer Funds from Encumbered Balance of Appropriations to the Next Fiscal Year for Continuation of Projects/Programs
- B. Transfer Funds from Unencumbered Balance of Appropriations to the General Reserve;
- C. Fund the General Reserve from Year to Year;
- D. Authorize Disposal of Surplus Government Property;
- E. Approve Salary Ranges for District Employees;
- F. Approve Funding for CalPERS Pension Benefits and Other Post-Employment Benefits for FY 2022-2023; and
- G. Adopt Air District Budget for FY 2022-2023.

WHEREAS, Air District staff has determined through its annual budget review and analysis that similar actions are necessary in connection with the adoption of a budget for FY 2023-2024 and that all of these actions be incorporated into a single resolution;

WHEREAS, the Finance and Administration Committee of the Board of Directors reviewed the proposed FY 2023-2024 Air District Budget at public meetings held on April 5, 2023, and May 3, 2023, and recommended that the Board of Directors approve as submitted;

WHEREAS, an initial public hearing was duly noticed and held on May 17, 2023, at a Special Meeting of the Board of Directors held pursuant to Health & Safety Code Section 40131, for the purpose of reviewing the Air District's proposed FY 2023-2024 Budget and of providing the public with an opportunity to comment upon the proposed District Budget;

WHEREAS, at the May 17, 2023, Special Meeting of the Board of Directors, the Proposed FY 2023-2024 Air District Budget was set for a further hearing and proposed adoption at the Regular Meeting of the Board of Directors to be held on June 7, 2023;

WHEREAS, in connection with the public hearing and consideration of the Proposed FY 2023-2024 Air District Budget on June 7, 2023, the Board of Directors takes the following actions and adopts the following resolutions related to the FY 2023-2024 District Budget:

A. CARRY FORWARD ENCUMBERED BALANCE OF APPROPRIATIONS TO THE NEXT FISCAL YEAR FOR CONTINUATION OF PROJECTS/PROGRAMS NOT COMPLETED IN THE CURRENT FISCAL YEAR

WHEREAS, the Air District Budget for FY 2022-2023 has appropriated funds committed for projects/programs not completed in the current fiscal year that will carry over to the next fiscal year;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors hereby directs Air District staff, that in the event there is encumbered balance of appropriations from FY 2022-2023 for continuation of projects/programs, to transfer such appropriations to the FY 2023-2024 budget as needed for completion of such projects/programs;

B. TRANSFER FUNDS FROM UNENCUMBERED BALANCE OF APPROPRIATIONS TO THE GENERAL RESERVE

WHEREAS, the Proposed Air District Budget provides sufficient funds for the operation of the Air District for FY 2023-2024;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors hereby directs Air District staff, that in the event there is an unencumbered balance of appropriations from FY 2022-2023, to transfer such excess balance to the General Reserve.

C. CONTINUE TO FUND THE GENERAL RESERVE FROM YEAR TO YEAR, WITH MODIFICATIONS TO THE NAME AND PURPOSE OF CERTAIN DESIGNATED RESERVE FUNDS

WHEREAS, the Board of Directors on June 12, 1958, created a General Reserve in the Air District's budget and transferred certain funds into it;

WHEREAS, the Air District has operated for much of its existence with a General Reserve in its fiscal year budget;

WHEREAS, the Board of Directors finds that maintaining a healthy and properly funded General Reserve in the Air District's budget is a prudent and financially sound decision;

WHEREAS, the Board of Directors has an Economic Contingency Reserve Policy of 20% of the General Fund Budget, which it adopted in connection with the FY 2015-16 Budget;

WHEREAS, in addition to the Economic Contingency Designation, the proposed FY 2023-2024 Budget includes modifications to the name and purpose of certain Designated Reserve Funds;

NOW THEREFORE, BE IT FURTHER RESOLVED that the General Reserve be continued for FY 2023-2024, with the modifications to Designated Reserve Funds as specified in the proposed FY 2023-2024 Budget, and that it be continued thereafter until discontinued by resolution of the Board of Directors.

D. AUTHORIZE DISPOSAL OF SURPLUS GOVERNMENT PROPERTY

WHEREAS, the Air District Budget for FY 2023-2024 provides for the replacement of certain equipment and other property that has either become obsolete and surplus or will become obsolete and surplus;

WHEREAS, Air District staff has determined that certain equipment or other property will no longer be economically feasible to maintain or repair, and that some equipment will become obsolete and not useful for Air District purposes;

WHEREAS, from time to time during the course of the coming fiscal year it may be advantageous to the Air District to sell or dispose of such equipment or other property;

WHEREAS, the Board of Directors desires to authorize the Executive Officer/APCO, or their designee, to sell or dispose of such surplus or obsolete equipment or other property pursuant the requirements and guidelines of Government Code Sections 25363 and 25504;

NOW, THEREFORE, BE IT FURTHER RESOLVED, that the Board of Directors hereby authorizes the Executive Officer/APCO, or their designee, to sell or dispose of surplus or obsolete equipment or other property during FY 2023-2024.

E. ADOPT SALARY RANGES FOR AIR DISTRICT EMPLOYEES

WHEREAS, the Board of Directors established Salary Ranges and Classifications on June 10, 1962, pursuant to Resolution No. 270, and has from time to time amended those Salary Ranges and Classifications;

WHEREAS, the current Memorandum of Understanding (“MOU”) with the Bay Area Air Quality Management District Employees’ Association, Inc. (“EA”), the recognized employee organization of the Air District, is set to expire on June 30, 2023, and a successor MOU is being negotiated and is expected to be approved and become effective for the FY 2023-2024 period;

WHEREAS, the MOU applicable for the FY 2023-2024 period is expected to cover salary ranges for represented employees, among other elements with a budgetary impact such as fringe benefits;

WHEREAS, the Air District Budget for FY 2023-2024 includes funds for Board of Directors discretionary use in adjusting salaries and fringe benefits for Air District employees;

WHEREAS, since negotiations with the EA regarding the MOU have not been completed and no MOU has been approved for the FY 2023-2024 period, the FY 2023-2024 salary schedule attached hereto reflects no changes to the salary ranges now in effect for FY 2023-2024 (except where required by contracts with individual employees), in anticipation that negotiated salary adjustments will be approved by the Board of Directors in conjunction with the MOU covering FY 2023-2024;

WHEREAS, the FY 2023-2024 salary schedule attached hereto reflects salary changes for the Counsel position, effective July 1, 2023, as required under the separate, independent employment agreement between the Air District and its Counsel;

NOW, THEREFORE, BE IT FURTHER RESOLVED, that the Board of Directors adopts the attached FY 2023-2024 salary schedule.

F. APPROVE FUNDING FOR PENSION BENEFITS AND OTHER POST-EMPLOYMENT BENEFITS (OPEB) FOR FY 2023-2024

WHEREAS, in December 2022, the Board of Directors adopted a funding policy formalizing the Air District's current practice of prefunding its OPEB and Pension benefit plans by contributing up to \$5 million (\$4M to OPEB and \$1M to Pension) in discretionary funding annually towards achieving a minimum 90% funded target level;

WHEREAS, based on the most recent actuarial valuations, the OPEB plan reached its target funded level at 103% and the pension plan was below the target funded level at 82%;

WHEREAS, the funding policy also states that the Board of Directors can redirect the \$4 million discretionary funds from OPEB upon reaching its funded target to the 115 Pension Trust with California Employers' Pension Prefunding Trust (CEPPT);

NOW, THEREFORE, BE IT FURTHER RESOLVED that as a part of the FY 2023-2024 Proposed Budget, the Board of Directors hereby authorizes and directs staff to redirect the \$4 million in OPEB discretionary funding to the CEPPT pension trust for a total of \$5 million for the continuation of prefunding the Air District's Pension plan.

G. ADOPT AIR DISTRICT BUDGET FOR FY 2023-2024

WHEREAS, on May 17, 2023, and June 7, 2023, public proceedings have been held in the manner and form required by Health & Safety Code Section 40131 for the adoption of the FY 2023-2024 Budget of the Bay Area Air Quality Management District;

WHEREAS, the Board of Directors has considered the Proposed FY 2023-2024 Air District Budget, as well as the recommendation to adopt this Proposed Budget from the Finance and Administration Committee of the Board of Directors, which considered the Proposed Budget at its meetings of April 5, 2023, and May 3, 2023;

NOW, THEREFORE, BE IT FURTHER RESOLVED that the Proposed Air District Budget for Fiscal Year 2023-2024, in the total consolidated amount of Two Hundred Sixty-Six Million, Seven Hundred Eighty-One Thousand, Five Hundred and Ninety Five Dollars (\$266,781,595), specifying by appropriation classification funding levels for personnel, services and supplies, capital outlay, program distributions and transfers, is hereby adopted by the Board of Directors of the Bay Area Air Quality Management District to become effective as of July 1, 2023.

The foregoing resolution was duly and regularly introduced, passed and adopted at a regular meeting of the Board of Directors of the Bay Area Air Quality Management District on the Motion of DIRECTOR GONZALEZ, seconded by DIRECTOR ABE-KOGA, on the 7th day of June, 2023, by the following vote of the Board:

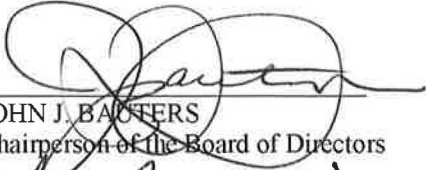
AYES: MARGARET ABE-KOGA, JOHN J. BAUTERS, KEN CARLSON, NOELIA CORZO, JOHN GIOIA, JUAN GONZALEZ, ERIN HANNIGAN, DAVID HAUBERT, LYNDA HOPKINS, DAVINA HURT, TYRONE JUE, OTTO LEE, SERGIO LOPEZ, MYRNA MELGAR, NATE MILEY, RAY MUELLER, MARK ROSS, VICKI VEENKER, SHAMANN WALTON, STEVE YOUNG.


NOES: NONE.

ABSTAIN: NONE.

ABSENT: BRIAN BARNACLE, JOELLE GALLAGHER, DAVID HUDSON, KATIE RICE.

ATTEST:


JOHN J. BAUTERS
Chairperson of the Board of Directors


LYNDA HOPKINS
Secretary of the Board of Directors