

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

APPROVED MINUTES

Summary of Board of Directors
Budget and Finance Committee Meeting
Monday, November 23, 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 9:30 a.m.

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

Absent: None.

Also Present: Board Chairperson Rod Sinks.

2. APPROVAL OF THE MINUTES OF SEPTEMBER 30, 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 September 30, 2020; and the motion carried by the following vote of the Committee:

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

3. FOURTH QUARTER FINANCIAL REPORT - FISCAL YEAR ENDING (FYE) 2020

Dr. Jeff McKay, Chief Financial Officer, introduced Stephanie Osaze, Finance Manager, who gave the staff presentation *Fourth Quarter Financial Report Fiscal Year Ending (FYE) 2020*, including: overview; 4th Quarter results FYE 2020; revenue and expenditure comparisons (prior versus current year); General Fund expenditures; investments; funding balance and outstanding liabilities; purchasing reporting requirements; and FYE 2020 vendor payments.

Public Comments

No requests received.

Committee Comments

None.

Committee Action

None; receive and file.

4. FIRST QUARTER FINANCIAL REPORT – FYE 2021

Ms. Osaze gave the staff presentation *First Quarter Financial Report FYE 2021*, including: overview; 1st Quarter results FYE 2021; revenue and expenditure comparisons (prior versus current year); General Fund expenditures; investments; fund balances and outstanding liabilities; purchasing reporting requirements; and FYE 2021 vendor payments.

NOTED PRESENT: Director Chavez was noted present at 9:44 a.m.

Public Comments

No requests received.

Committee Comments

The Committee and staff discussed how much of the Air District's fleet runs on alternative fuel or electric; how the Air District budgeted for asbestos fees in FYE 2021, and the fact that asbestos fees are currently exceeding what was anticipated; and whether the expenditure of "Personnel – Benefits" includes the new positions in the requested staffing increase (see Agenda Item 5).

Committee Action

None; receive and file.

5. REQUEST TO AMEND THE FISCAL YEAR ENDING (FYE) 2021 BUDGET TO INCREASE STAFFING

Jack P. Broadbent, Executive Officer/Air Pollution Control Officer, Dr. McKay, and Leonid Bak, Economist, gave the staff presentation *Request to Amend FYE 2021 Budget to Increase Staffing*, including: U.S. labor force composition and racial makeup; U.S. employment recovery past COVID pandemic; impact on workers by occupation and educational attainment; background; community

engagement and equity staffing augmentation; nine positions; FYE 2021 approved budget overview; actual reserves and policy; funding requirements: fees cost recovery; staffing trend-filled positions; and recommendation.

Public Comments

Public comments were given by Frances Keeler, California Council for Environmental and Economic Balance; and Jed Holtzman, 350 Bay Area.

Committee Comments

The Committee and staff discussed projection of job loss in California, based on ethnicity, industry, and job type; the number of Bay Area residents that are working from home due to the pandemic; whether the Air District should expand its contracts with non-profit organizations that are based in communities in which the Air District plans to build capacity for emissions reductions, prior to building that capacity; concerns about increasing Air District staffing without increasing fees (in consideration of the pandemic); the nature of the new positions that are being requested; the request for a presentation to the Board about this issue, and the suggestion that Air District staff explains how some of the new positions will be critical to advancing equity and community engagement; whether there are vacancies within the budgeted 405 positions and why adding nine more positions does not affect the FYE 2021 Budget; the suggestion of offering Air District employees Cost of Living Adjustments less frequently; the concern that Assembly Bill 617 efforts have taken priority over rulemakings, and whether that trend should be reversed; the fact that maintenance of staffing in the range of 405 to 414 full-time equivalent requires either a reinstatement of the Cost Recovery Policy or a reduction in Service and Supply expenditures; the number of full-time equivalent Air District staff positions for the Calendar Year of 2019 and how much the Air District had budgeted for those positions; and why four additional positions being requested for the Community Engagement group were not included in the discussion at the October 10, 2020 Executive Committee meeting.

Committee Action

Director Chavez made a motion, seconded by Director Mitchoff, to recommend that the Board **amends** the FYE 2021 budget to increase staffing by adding nine positions, bringing the total of full-time equivalent to 414; and the motion carried by the following vote of the Committee:

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

6. FUNDING FOR OTHER POST-EMPLOYMENT BENEFIT (OPEB) OBLIGATIONS

Dr. McKay gave the staff presentation, *Funding for Other Post-Employment Benefit (OPEB) Obligations*, including: background; medical retirement OPEB; medical retirement plan; actual reserves and policy; General Fund reserves; and recommendation.

Public Comments

No requests received.

Committee Comments

None.

Committee Action

Director Hudson made a motion, seconded by Director Cutter, to recommend that the Board **approves** the transfer of the \$4 million allocated to OPEB in the approved FYE 2021 Budget to the existing OPEB investment trust; and the motion carried by the following vote of the Committee:

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

7. PUBLIC COMMENT ON NON-AGENDA MATTERS

No requests received.

8. COMMITTEE MEMBER COMMENTS / OTHER BUSINESS

None.

9. TIME AND PLACE OF NEXT MEETING

At the conclusion of the meeting, it was announced that the next meeting would be at the Call of the Chair. After the meeting adjourned, the Budget and Finance Committee became part of the Administration Committee, which would first meet on Wednesday, February 17, 2021, at 9:30 a.m., via webcast, pursuant to procedures authorized by Executive Order N-29-20 issued by Governor Gavin Newsom.

10. ADJOURNMENT

The meeting adjourned at 10:52 a.m.

/s/ Marcy Hiratzka
Marcy Hiratzka
Clerk of the Boards